

**BLACK BULL RESOURCES INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**Meeting Date:  
Wednesday, April 11, 2007  
9:30 am (Atlantic Time)**

**Delta Barrington  
1875 Barrington Street  
Halifax, Nova Scotia**

**BLACK BULL RESOURCES INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the Annual General Meeting of the Shareholders of Black Bull Resources Inc. (the "Corporation") will be held at Delta Barrington, 1875 Barrington Street, Halifax, Nova Scotia, on Wednesday, April 11, 2007, at 9:30 am (Atlantic Time) for the purposes of:

- (a) receiving and considering the audited financial statements of the Corporation for the year ended September 30, 2006, and the report of its auditors;
- (b) electing the directors for the ensuing year;
- (c) appointing Deloitte & Touche LLP, Chartered Accountants, as the Corporation's auditors for the ensuing year and authorizing the directors to fix their remuneration; and
- (d) transacting such other business as may properly come before the said Meeting or any adjournment thereof.

**DATED: February 28, 2007**

By Order of the Board of Directors

*"Wayne Mailloux"*

J. Wayne Mailloux,  
Chairman

If you are unable to be present at the Meeting, PLEASE SIGN AND RETURN THE ACCOMPANYING FORM OF PROXY to CIBC Mellon Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1, or by facsimile to 416-368-2502, not less than 48 hours before the Meeting or any adjournment thereof.

## TABLE OF CONTENTS

<b>PROXY RELATED INFORMATION .....</b>	<b>1</b>
SOLICITATION OF PROXIES .....	1
APPOINTMENT AND REVOCATION OF PROXIES.....	1
VOTING OF PROXIES .....	2
<i>Advice to Beneficial Holders of Common Shares</i> .....	2
INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS .....	3
VOTING SHARES AND PRINCIPAL SHAREHOLDERS .....	3
<b>PARTICULARS OF MATTERS TO BE ACTED UPON.....</b>	<b>4</b>
ELECTION OF DIRECTORS.....	4
APPOINTMENT OF AUDITORS.....	6
<b>INFORMATION CONCERNING THE CORPORATION .....</b>	<b>6</b>
STATEMENT OF EXECUTIVE COMPENSATION .....	6
<i>Summary Compensation Table</i> .....	6
<i>Long Term Incentive Plans – Awards in the Most Recently Completed Financial Year</i> .....	7
<i>Options/SARs Granted During the Most Recently Completed Fiscal Year</i> .....	7
<i>Aggregated Option/SAR Exercises during the Most Recently Completed Fiscal Year and the Fiscal Year End</i>	
<i>Option/SAR Values</i> .....	8
<i>Termination of Employment, Change in Responsibilities and Employment Contracts</i> .....	9
<i>Compensation of Directors</i> .....	9
<i>Human Resources Committee</i> .....	9
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....	10
MANAGEMENT CONTRACTS.....	10
INDEBTEDNESS OF DIRECTORS AND OFFICERS .....	10
AUDIT COMMITTEE.....	11
<i>Audit Committee Charter</i> .....	11
<i>Composition of Audit Committee</i> .....	11
<i>Audit Committee Oversight</i> .....	11
<i>Reliance of Certain Exemptions</i> .....	11
<i>Pre-Approval Policies and Procedures</i> .....	11
<i>External Auditor Service Fees</i> .....	11
<i>Exemption</i> .....	12
DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES .....	12
<i>Board of Directors</i> .....	12
<i>Directorship</i> .....	13
<i>Orientation and Continuing Education</i> .....	13
<i>Ethical Business Conduct</i> .....	13
<i>Nomination of Directors</i> .....	13
<i>Compensation</i> .....	14
<i>Other Board Committees</i> .....	14
<i>Assessments</i> .....	14
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION.....	14
OTHER BUSINESS .....	15
<b>APPROVAL AND CERTIFICATION.....</b>	<b>15</b>
<b>AUDIT COMMITTEE CHARTER.....</b>	<b>16</b>

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# **BLACK BULL RESOURCES INC.**

## **MANAGEMENT INFORMATION CIRCULAR**

### **FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 11, 2007**

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#### **PROXY RELATED INFORMATION**

##### **SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by management of Black Bull Resources Inc. (the "Corporation") for the 2007 Annual General Meeting of Shareholders of the Corporation (the "Meeting") to be held on April 11, 2007, at Delta Barrington, 1875 Barrington Street, Halifax, Nova Scotia at 9:30 am (Atlantic Time).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by facsimile, at a nominal cost. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees, and fiduciaries to forward solicitation materials to the beneficial owners of common shares of the Corporation ("Common Shares") held by such persons and the Corporation may reimburse such person for reasonable fees and disbursements incurred by them in doing so. The cost of such solicitation will be borne by the Corporation.

##### **APPOINTMENT AND REVOCATION OF PROXIES**

**Shareholders have the right to appoint a nominee (who need not be a Shareholder) to represent them at the Meeting other than the persons designated in the enclosed Form of Proxy and may do so by inserting the name of the appointed representative in the blank space provided on the first page of the Form of Proxy.**

A Form of Proxy will not be valid for the Meeting or any adjournment of the Meeting unless it is completed and signed by the Shareholder or by his attorney authorized in writing and delivered to CIBC Mellon Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1, or by facsimile to 416-368-2502, not less than 48 hours before the Meeting or any adjournment of the Meeting.

In addition to revocation in any other manner permitted by law, a Shareholder who has given a Proxy may revoke it, any time before it is exercised, by instrument in writing executed by the Shareholder or by his attorney authorized in writing and deposited either at the offices of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which time the Proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment of the Meeting.

## VOTING OF PROXIES

The persons named in the enclosed Form of Proxy are Directors and Officers of the Corporation and have indicated their willingness to represent as Proxy the Shareholder who appoints them. Each Shareholder may instruct his Proxy how to vote or withhold from voting his shares by completing the Form of Proxy.

The person indicated in the accompanying Proxy shall vote the shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, the shares shall be voted in favour of:**

- (a) **the election of the persons proposed to be nominated as directors; and**
- (b) **the appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year.**

**The enclosed Form of Proxy confers discretionary authority upon the person indicated in the Proxy with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of the Information Circular, the management of the Corporation knows of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and the Information Circular. If any matters which are not now known to the Directors and Officers of the Corporation should properly come before the Meeting, the persons named in the accompanying Form of Proxy will vote on such matters in accordance with their best judgment.

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

**The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the Registered Holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for securities, which company acts as a nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' Meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the Form of Proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the Form of Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“ADP”). ADP typically prepares a machine readable voting instruction

form, mails those forms to the Beneficial Shareholders, and asks Beneficial Shareholders to return those forms to ADP or otherwise communicate voting instructions to ADP (by way of internet or telephone for example). ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that form to vote Common Shares directly at the Meeting.**

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

**The voting instruction must be returned to ADP well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

## **INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

No Directors or Officers of the Corporation, who have held the position at any time since the beginning of the last completed financial year of the Corporation, nor any proposed nominee of management for election as a director, nor any principal shareholder of the Corporation, nor any known associates and affiliates of such persons have any direct or indirect material interest in any transaction involving the Corporation, or its subsidiary in the last fiscal year or in any proposed material transaction, or in matters to be acted upon at the Meeting, other than the election of directors, any interest from the ownership of Common Shares, the transactions referred to under the heading "Executive Compensation," the Related Party Transactions described in the Notes to the Financial Statements (in the Annual Report), or as otherwise disclosed herein. The Annual Report is available on the Corporation's website [www.blackbullresources.com](http://www.blackbullresources.com) and through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The authorized capital of the Corporation consists of an unlimited number of Common Shares, and an unlimited number of first preferred shares and second preferred shares, of which 44,186,605 Common Shares were issued and outstanding at the date of this Information Circular.

Each Common Share entitles the holder of the Common Share to one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Corporation. The Directors of the Corporation have fixed March 7, 2007, as the Record Date for determination of the persons entitled to receive notice of the Meeting.

Shareholders as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their shares after the Record Date. The transferees of those Common Shares must produce properly endorsed share certificates or otherwise establish that they own the shares, and

demand, not later than 10 days before the Meeting, that their name be included in the Shareholder List before the Meeting, in which case the transferees are entitled to vote their Common Shares at the Meeting.

To the knowledge of the Directors and Officers of the Corporation, the only persons beneficially owning, directly or indirectly, shares carrying more than 10 percent of the voting rights attached to all shares of the Corporation as of the date of this Information Circular are:

Name and Municipality of Residence	Number of Shares Owned or Controlled Directly or Indirectly	Percentage of Outstanding Voting Shares
Donald A. Wright, Toronto	8,600,000	19.5%

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

### **ELECTION OF DIRECTORS**

At the Meeting it is proposed that up to seven Directors be elected to serve until the next Annual General Meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the By-laws of the Corporation.

The Corporation is required to have a minimum of three directors and a maximum of eleven directors. The following table indicates the names of seven nominees for Directors and the date each such person first became a Director, the principal occupation of each such person, and the number of shares of the Corporation beneficially owned or controlled (either directly or indirectly) by each such person. The information as to residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of Management of the Corporation and has been furnished by the respective nominees. The Board of Directors is required to appoint an Audit Committee, the current and proposed members of which are indicated in the table. The term of office of each Director will be until the next annual general meeting of the Shareholders of the Corporation or until the position is otherwise vacated.

Unless the proxy specifically instructs the Proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below. If, prior to the Meeting, any of the listed nominees should become unavailable to serve, the persons designated in the enclosed instrument appointing proxy will have the right to use their discretion in voting for a properly qualified substitute. Greater than 50% of the votes cast by Registered Shareholders present in person or by proxy, and Beneficial Shareholders by proxy are required to elect the directors.

Name, Residence, Date First Became a Director	Principal Occupation During the Past 5 Years	Common Shares Owned, Controlled and/or Directed <sup>(1)</sup> (7)
George T.H. Cooper <sup>(3)(4)</sup> Halifax, Nova Scotia July 27, 2001	Barrister and Solicitor with McInnes Cooper since 1967. Director of Stora Enso Port Hawkesbury Ltd., a paper manufacturer, since 1985. Director of Dover Mills Ltd., a flour milling company, since 1998. Trustee of Impax Energy Services Income Trust, listed on the TSX since 2006.	173,266
James W. Gogan <sup>(2)(3)(4)</sup> New Glasgow, Nova Scotia May 7, 2004	President of High Street Investments Limited since 1976. Director of Empire Company Limited since 1972, Director of Seamark Asset Management Ltd. since 1998, and Director of Nova Scotia Business Inc. since 2000. Chairman of the Saint Francis Xavier University Foundation.	100,000
Joseph MacDonald <sup>(3)(4)(5)</sup> Judique, Nova Scotia October 31, 2002	Retired in 2000 as Senior Vice President with Stora Enso North America, a paper manufacturer.	25,200
J. Wayne Mailloux <sup>(5)</sup> Teton Village, Wyoming, USA May 7, 2004	Retired in 2004 after a lengthy career as a senior executive of PepsiCo, serving lastly as SVP Global Sales at headquarters in New York, and prior to that as President of Pepsi Cola Europe/Africa in London and President of Pepsi Cola Canada in Toronto.	300,000
Richard J. Shearer <sup>(3)(4)(5)</sup> Berkeley Springs, West Virginia, USA January 19, 2006	Retired in 2003 as President and Chief Operating Officer of U.S. Silica Company, Berkeley Springs, West Virginia. Thereafter, became a Business Director at Excell Minerals, Pittsburgh, Pennsylvania.	Nil
David L. Wood <sup>(2)</sup> Vancouver, British Columbia June 3, 1997	Founder and President of Zenith Appraisal & Land Consulting Ltd., a privately-owned Alberta consulting company, since 1978. President of Double Check Consulting Inc., a private consulting company, since 1994. Director of Iplayco Corporation Ltd., a playground equipment designing and manufacturing company, since 1999. Secretary of Iplayco Corporation Ltd. from July 1999 to December 2003.	2,007,324 <sup>(6)</sup>
Donald A. Wright <sup>(2)</sup> Toronto, Ontario May 7, 2004	Chairman and Chief Executive Office of TD Securities Inc. from 1998 to 2002 and Deputy Chairman of TD Bank Financial Group from 2001 to 2002. Since retiring from TD Bank Financial Group in November 2002, has been involved in private and public equity investments. Currently the President and CEO of The Winnington Capital Group Inc., an investment counsel & portfolio management company. Chairman of the Board of Directors of VIA Rail Canada Inc., Fralex Therapeutics Inc. and Richards Packaging Inc., Chairman of the Board of Trustees of Richards Packaging Income Fund, member of the Board of Trustees of GMP Capital Trust, member of the Board of Directors of DHX Media Ltd. and Saxon Energy Services Inc., member of the Board of Trustees of The Hospital for Sick Children and a member of the Royal Ontario Museum Governors' Finance Committee	8,600,000

**Notes:**

- (1) The information as to residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of Management of the Corporation and has been furnished by the respective nominees.
- (2) Current and proposed members of the Corporation's Audit Committee.
- (3) Current and proposed members of the Corporation's Human Resources Committee.
- (4) Current and proposed members of the Corporation's Corporate Governance Committee.
- (5) Current and proposed members of the Corporation's Strategy and Planning Committee.
- (6) Of these shares, 348,050 are held indirectly through Double Check Consulting Ltd., a private company in which Mr. David Wood is a minority Shareholder, and a further 317,454 shares are held indirectly through Zenith Appraisal & Land Consulting Ltd., a private company controlled by Mr. Wood.
- (7) See also "Statement of Executive Compensation" for information concerning options granted to Directors.

## **APPOINTMENT OF AUDITORS**

The management of the Corporation proposes to nominate the Corporation's existing auditors, Deloitte & Touche LLP, Chartered Accountants, as auditors for the Corporation until the next Annual General Meeting of Shareholders at remuneration to be fixed by the Directors. Deloitte & Touche LLP has been the Corporation's Auditor since April 13, 1999.

It is intended that all proxies received will be voted in favour of the appointment of Deloitte & Touche LLP as Auditor of the Corporation, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of the votes cast by Registered Shareholders present in person or by proxy, and Beneficial Shareholders by proxy are required to appoint the Auditor of the Corporation.

## **INFORMATION CONCERNING THE CORPORATION**

### **STATEMENT OF EXECUTIVE COMPENSATION**

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers"):

- (a) the Corporation's President and Chief Executive Officer and Interim President and Chief Executive Officer;
- (b) the Corporation's Chief Financial Officer;
- (c) the Corporation's Vice President Operations;
- (d) the Corporation's Vice President Marketing; and
- (e) any additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

During the most recently completed fiscal year of the Corporation, the Corporation had five Named Executive Officers: Barry F. Grundy, President and Chief Executive Officer; Joseph MacDonald, Interim President and Chief Executive Officer; Robert W. Cudmore, Chief Financial Officer; Alan W. Davidson, Vice President Operations; and Margaret R. Rhea, Vice President Marketing.

### **Summary Compensation Table**

The following table sets forth all annual and long-term compensation for services rendered in all capacities to the Corporation and subsidiaries for the three fiscal years ended September 30, 2004, 2005, and 2006 in respect of the Named Executive Officers. No other executive officers are reportable based on salary and bonus for the last three fiscal years.

Annual Compensation					Long-Term Compensation			All Other Compensation
					Awards		Payouts	
Name and Principal Position	Year	Salary (\$)	Bonus	Other Annual Compensation	Securities Under Option/SAR's Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Barry F. Grundy President & Chief Executive Officer	2006 <sup>(1)</sup>	130,652 <sup>(1)</sup>	Nil	6,510 <sup>(2)</sup>	343,241 / 0	Nil	n/a	Nil
	2005 <sup>(1)</sup>	68,750 <sup>(1)</sup>	15,658	3,962 <sup>(2)</sup>	151,250 / 0	Nil	n/a	36,508 <sup>(3)</sup>
	2004	-	-	-	-	-	-	-
Joseph MacDonald Interim President & Chief Executive Officer	2006 <sup>(4)</sup>	72,000 <sup>(4)</sup>	Nil	Nil	-	Nil	n/a	Nil
	2005	-	-	-	-	-	-	-
	2004	-	-	-	-	-	-	-
Robert Cudmore Chief Financial Officer	2006	92,433	Nil	Nil	83,611 / 0	Nil	n/a	Nil
	2005 <sup>(5)</sup>	85,167 <sup>(5)</sup>	24,940	Nil	53,750 / 0	Nil	n/a	Nil
	2004 <sup>(5)</sup>	8,898 <sup>(5)</sup>	10,000	Nil	Nil	Nil	n/a	Nil
Alan W. Davidson Vice President Operations	2006 <sup>(6)</sup>	107,000 <sup>(6)</sup>	Nil	Nil	119,333 / 0	Nil	n/a	Nil
	2005 <sup>(6)</sup>	52,500 <sup>(6)</sup>	12,141-	Nil	58,333 / 0	Nil	n/a	Nil
	2004	-	-	-	-	-	-	-
Margaret R. Rhea Vice President Marketing	2006 <sup>(7)</sup>	86,417 <sup>(7)</sup>	Nil	Nil	80,278 / 0	Nil	n/a	Nil
	2005 <sup>(7)</sup>	24,792 <sup>(7)</sup>	5,702	Nil	29,968 / 0	Nil	n/a	1,462 <sup>(8)</sup>
	2004	-	-	-	-	-	-	-

**Notes:**

- (1) Mr. Grundy served as President & CEO of the Corporation from May 2, 2005, to June 30, 2006.
- (2) Mr. Grundy received a vehicle allowance.
- (3) Mr. Grundy was reimbursed for his relocation expenses from Alberta to Nova Scotia.
- (4) Mr. MacDonald acted as the Corporation's Interim President and Chief Executive Officer from May 29, 2006 to October 16, 2006. See "Management Contracts."
- (5) Mr. Cudmore became the Corporation's Chief Financial Officer on August 23, 2004.
- (6) Mr. Davidson served as the Corporation's Vice President Operations from April 4, 2005, to October 16, 2006.
- (7) Mrs. Rhea served as the Corporation's Vice President Marketing from June 15, 2005, to October 20, 2006.
- (8) Mrs. Rhea was reimbursed for her relocation expenses from Indiana to Nova Scotia.

**Long Term Incentive Plans – Awards in the Most Recently Completed Financial Year**

Other than stock options outlined in the above table, the Corporation has no long term incentive plans and consequently no long term awards were made during the fiscal year ended September 30, 2006.

**Options/SARs Granted During the Most Recently Completed Fiscal Year**

The following table presented in accordance with the National Instrument 51-102 Continuous Disclosure Regulation sets forth stock options granted under the Corporation's Stock Option Plan during the financial year ended September 30, 2006, to the Named Executive Officers and Directors.

Name	Date of Grant	Securities Under Options/SAR's Granted (#)	% of Total Options/SAR's Granted to Employee/Director in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SAR's on the Date of Grant (\$/Security) <sup>(1)</sup>	Expiry Date
Robert W. Cudmore	Dec 01/05	83,611 / 0	7%	\$0.27	\$0.29	Dec 01/10
Alan W. Davidson	Dec 01/05	119,333 / 0	10%	\$0.27	\$0.29	Dec 01/10
Barry F. Grundy	Dec 01/05	343,241 / 0	28%	\$0.27	\$0.29	Dec 01/10
Margaret R. Rhea	Dec 01/05	80,278 / 0	7%	\$0.27	\$0.29	Dec 01/10
George T.H. Cooper	Feb 15/06	70,000 / 0	6%	\$0.34	\$0.36	Feb 15/11
James W. Gogan	Feb 15/06	80,000 / 0	7%	\$0.34	\$0.36	Feb 15/11
Joseph MacDonald	Feb 15/06	60,000 / 0	5%	\$0.34	\$0.36	Feb 15/11
J. Wayne Mailloux	Feb 15/06	120,000 / 0	10%	\$0.34	\$0.36	Feb 15/11
Richard J. Shearer	Feb 15/06	120,000 / 0	10%	\$0.34	\$0.36	Feb 15/11
David L. Wood	Feb 15/06	60,000 / 0	5%	\$0.34	\$0.36	Feb 15/11
Donald A. Wright	Feb 15/06	60,000 / 0	5%	\$0.34	\$0.36	Feb 15/11

**Note:**

(1) Calculated at the closing price of the Corporation's common share on the Exchange on the date of grant.

**Aggregated Option/SAR Exercises during the Most Recently Completed Fiscal Year and the Fiscal Year End Option/SAR Values**

The following table sets forth details of all exercises of stock options during the year ended September 30, 2006, and the fiscal year-end value of unexercised options on an aggregated basis for the Named Executive Officers and Directors.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Fiscal Year-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year-End (\$) Exercisable/Unexercisable <sup>(1)</sup>
Robert W. Cudmore	Nil	n/a	81,620 / 55,741	Nil / Nil
Alan W. Davidson	Nil	n/a	78,666 / 99,000	Nil / Nil
Barry F. Grundy	Nil	n/a	0 / 0	Nil / Nil
Margaret R. Rhea	Nil	n/a	46,738 / 63,508	Nil / Nil
George T.H. Cooper	Nil	n/a	286,667 / 46,667	Nil / Nil
James W. Gogan	Nil	n/a	206,667 / 53,333	Nil / Nil
Joseph MacDonald	Nil	n/a	246,400 / 40,000	Nil / Nil
J. Wayne Mailloux	Nil	n/a	220,000 / 80,000	Nil / Nil
Richard J. Shearer	Nil	n/a	40,000 / 80,000	Nil / -Nil
David L. Wood	Nil	n/a	190,000 / 40,000	Nil / Nil
Donald A. Wright	Nil	n/a	230,000 / 40,000	Nil / Nil

**Note:**

(1) In-the-Money Options are those where the market value of the underlying securities as at the most recent fiscal year end exceeds the option exercise price. The closing market price of Common Shares as at September 30, 2006 (i.e. fiscal year end) was \$0.14.

## **Termination of Employment, Change in Responsibilities and Employment Contracts**

There are no compensatory plans or arrangements with respect to the Named Executive Officers resulting from the resignation, retirement, or other termination of employment or from a change of control of the Corporation, except as follows:

Under the terms of the Executive Employment Agreements, if an employment agreement is terminated, other than for cause, the following compensation will result: Alan W. Davidson, Vice President Operations, will receive 3 months salary, and Margaret R. Rhea, Vice President Marketing, will also receive 3 months salary. The compensation will constitute full and complete payment for all amounts owing by the Corporation save and except for salary and vacation earned prior to the date Notice of Termination is given.

## **Compensation of Directors**

Compensation for the Named Executive Officers has already been disclosed above. No cash compensation was paid to any Director of the Corporation for the Director's services as a Director during the fiscal year ended September 30, 2006, other than the reimbursement of out-of-pocket expenses. See "Management Contracts."

The Corporation has accepted a standard arrangement pursuant to which Directors are compensated by the Corporation for their services in their capacity as Directors by the granting of incentive stock options in accordance with the policies of the TSX Venture Exchange (the "Exchange"). The plan is as follows:

- (i) upon joining the Board, directors be awarded 50,000 options;
- (ii) for annual service, directors be awarded 50,000 options;
- (iii) for committee service, per committee, directors be awarded 10,000 options;
- (iv) for committee chairmanship, per committee, the chairman be awarded 10,000 options;
- (v) for Board chairmanship, the chairman be awarded 50,000 options;
- (vi) option strike price to be determined by the average trading price on the day of the Annual General Meeting each year; the exercise price shall be determined by the Board but cannot be less than the market price less any allowable discount; and
- (vii) options subject to the terms and conditions of the option plan in effect on the date of the Annual General Meeting.

During the most recently completed financial year, the Corporation granted incentive stock options to purchase an aggregate 570,000 Common Shares to Directors.

## **Human Resources Committee**

The Board of Directors has established a Human Resources Committee currently comprised of the following Directors: George T.H. Cooper, James W. Gogan, Joseph MacDonald, and Richard Shearer. The Human Resources Committee will review all remuneration paid to insiders and senior employees of the Corporation and make recommendations to the Board. A portion of the compensation paid to senior officers and employees is linked with corporate performance in order to help achieve growth in shareholder value. Following the Meeting a new Committee will be established.

Messrs Gogan and Shearer are considered to be independent directors and are not officers or employees of the Corporation. One member of the Human Resources Committee, Mr. MacDonald had an interest in material transactions of the Corporation during the period May 29, 2006 to October 16, 2006 while acting as Interim

President & CEO. Another member, Mr. Cooper, is not independent because the law firm where he is a partner provides legal services to the Corporation. No members are indebted to the Corporation as at September 30, 2006.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On February 17, 2005, the Shareholders of the Corporation approved the adoption of a formalized stock option plan ("Stock Option Plan"). The purpose of the Stock Option Plan is to assist the Corporation in attracting, retaining and motivating directors, key officers, employees, and consultants of the Corporation and of its subsidiaries and to closely align the personal interests of such persons with those of the Shareholders of the Corporation by providing them with the opportunity, through options, to acquire common shares of the Corporation. The following table sets out information as of September 30, 2006, the Corporation's most recently completed financial year, with regard to outstanding options exercisable into Common Shares under the Stock Option Plan:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Stock Option Plan (Approved by Shareholders)	2,925,007	\$0.45	2,574,114

## MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted, except as follows:

Pursuant to a contract dated May 29, 2006, between the Corporation and Joseph MacDonald, a Director of the Corporation, Joseph MacDonald provided services as Interim President & Chief Executive Officer. Mr. MacDonald's remuneration -was \$4,000 per week plus travel and accommodations. For fiscal year 2006 Mr. MacDonald received \$72,000 for services provided.

On October 16, 2006 the contract between the Corporation and Joseph MacDonald for Interim President & CEO services was terminated. Mr. MacDonald has been contracted to provide services as a Sales and Marketing Consultant.

See "Executive Compensation"

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current or former Directors or Officers or employees of the Corporation, is, or was at any time during the year ended September 30, 2006, indebted to the Corporation or its subsidiary.

## AUDIT COMMITTEE

### Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Information Circular as an Appendix.

### Composition of Audit Committee

Name	Independent	Financially Literate
James W. Gogan, Chairman	Yes	Yes
David L. Wood	Yes	Yes
Donald A. Wright	Yes	Yes

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditor not been adopted by the Board of Directors.

### Reliance of Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of Multilateral Instrument 52-110.

### Pre-Approval Policies and Procedures

As of October 1, 2005, the Corporation's Audit Committee is responsible to approve any engagement where the Corporation's Auditors will provide non-audit services.

### External Auditor Service Fees

The fees charged to the Corporation by its external auditor in each of the last two fiscal years are as follows:

Types of Fees	Fiscal Year Ended 2006	Fiscal Year Ended 2005
Audit Fees <sup>(1)</sup>	54,820	40,000
Audit-Related Fees	Nil	3,000 <sup>(2)</sup>
Tax Fees	750	1,700 <sup>(3)</sup>
Other	9,039 <sup>(4)</sup>	Nil

#### Notes:

- (1) Including the review of Interim Financial Statements and Associated Filings.
- (2) Review and comments regarding the Corporation's recommended accounting treatment for various transactions.
- (3) Review of Nova Scotia Large Corporation Tax and Employment Taxes.
- (4) Assistance with preparation of plan for CEO/CFO certification and Internal Control over Financial Reporting; review of Disclosure Controls.

## **Exemption**

As a venture issuer, the Corporation is relying on the exemption provided by Section 6.1 of Multilateral Instrument 52-110, which exempts venture issuers from the requirements of Part 5 (Reporting Obligations).

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 requires a reporting issuer to disclose its Corporate Governance Practices. These practices deal with the constitution of boards of directors and board committees, their functions, their independence from management and other means of addressing corporate governance practices. Venture issuers are required to provide disclosure on an annual basis in the Information Circular as to its approach to corporate governance following the outline in Form 58-101F2. The Board of Directors and Management of the Corporation consider good corporate governance to be important to the effective and efficient operation of the Corporation. Management also believes this disclosure will help the Corporation's Shareholders arrive at informed decisions and judgments about the Corporation's management decisions. The following are the requirements of Form 58-101F2 Corporate Governance Disclosure (Venture Issuers), and a brief discussion of the Corporation's compliance with each requirement.

### **Board of Directors**

The Board of directors of the Corporation (the "Board") facilitates its exercise of independent supervision over its senior management responsible for managing day-to-day business affairs in accordance with the Corporation's strategic plans. The majority of the directors is independent, and holds regularly scheduled meetings where management is not involved. The Board acknowledges responsibility for the stewardship of the Corporation, including responsibility for the integrity of the CEO and other executive officers and annually developing the Corporation's strategic plan including review of the opportunities and risks. Through control of the Audit, Corporate Governance, Human Resources, and Strategy and Planning Committees, and access to various technical consultants, the Board identifies the Corporation's principal risks and implements appropriate systems to manage these risks. In addition, the Board approves the annual and interim financial statements, the issuance of common shares, granting of stock options, disclosure and financing documents that require Board approval, executive compensation, and the appointment of corporate officers.

The Board currently consists of seven members, of whom James W. Gogan, J. Wayne Mailloux, Richard J. Shearer, David L. Wood, and Donald A. Wright are considered independent directors. Two directors are not considered independent; George T. H. Cooper, because the law firm where he is a partner provides legal services to the Corporation and Joseph MacDonald, because he acted as Interim President & CEO from May 29, 2006 to October 16, 2006.

## Directorship

The other issuers that the Corporation's directors are presently directors or trustees of are disclosed in the following table.

Name	Reporting Issuer	Exchange Listed
George T.H. Cooper	Impax Energy Services Income Trust	TSX
James W. Gogan	Empire Company Limited Seamark Asset Management Ltd.	TSX TSX
Joseph MacDonald	n/a	n/a
J. Wayne Mailloux	n/a	n/a
Richard J. Shearer	n/a	n/a
David L. Wood	Iplayco Corporation Ltd.	TSX Venture
Donald A. Wright	Fralex Therapeutics Inc. Richards Packaging Income Fund GMP Capital Trust DHX Media Ltd. Saxon Energy Services Inc.	TSX TSX TSX TSX TSX

## Orientation and Continuing Education

The Board ensures that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its Committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors). All new directors should also understand the nature and operation of the Corporation's business.

The Board will provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

## Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics (the "Code"), applicable to directors, officers, and employees of the Corporation. The Code constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing. The Code addresses conflicts of interest, including transactions and agreements in respect of which a director or officer has a material interest; protection and proper use of corporate assets and opportunities; confidentiality of corporate information; fair dealings with the issuer's securityholders, customers, suppliers, competitors and employees; compliance with laws, rules and regulations; and reporting of any illegal or unethical behaviour. The Code is available through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## Nomination of Directors

The Board has appointed a Human Resources Committee composed of a majority of independent directors. The Human Resources Committee has a written charter that establishes the Committee's purpose,

responsibilities, member qualifications, member appointment and removal, structure and operations, and manner of reporting to the Board. Prior to nominating or appointing individuals as directors, the Board will adopt a process involving the following steps: consider what competencies and skills the Board, as a whole, should possess; assess what competencies and skills each existing director possesses; and consideration of the appropriate size of the Board, with a view to facilitating effective decision-making.

In carrying out each of these functions, the Board considers the advice and input of the Human Resources Committee. The Human Resources Committee is assigned responsibility for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next Annual General Meeting of Shareholders. In making its recommendations, the Human Resources Committee considers: the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; the competencies and skills that the Board considers each existing director to possess; the competencies and skills each new nominee will bring to the Board; and whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.

### **Compensation**

The Human Resources Committee, composed of directors, is responsible to deal with compensation issues. The Human Resources Committee will be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and making recommendations to the Board with respect to the CEO's compensation level based on this evaluation; making recommendations to the Board with respect to non-CEO officers and directors compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation disclosure before the Corporation publicly discloses this information.

### **Other Board Committees**

The Board has four committees: the Audit Committee, the Human Resources Committee (including nominating and compensation), the Corporate Governance Committee, and the Strategy and Planning Committee. The Corporate Governance Committee has responsibilities to monitor overall procedures and processes for corporate governance matters and environmental, health, and safety matters. The Strategy and Planning Committee has responsibilities to approve the Company business strategy; liaise between Management and the Board on sales and marketing strategy and tactics; as well as offering counsel, resources, and direction on sales and marketing issues.

### **Assessments**

The Board and its Committees are regularly assessed regarding their effectiveness, taking into consideration the mandate of the Board and the charters of the Committees.

## **FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**

The Corporation's audited financial statements for the financial year ended September 30, 2006, and Management Discussion & Analysis ("MD&A") are included in the Corporation's 2006 Annual Report. These documents and other information relating to the Corporation are available on the Corporation's website [www.blackbullresources.com](http://www.blackbullresources.com) and through the SEDAR website at [www.sedar.com](http://www.sedar.com). To request copies of the Corporation's financial statements and MD&A, Shareholders should contact Sheila Deinstadt-Acker, at Black Bull Resources Inc., PO Box 698, 157 Water Street, Shelburne, Nova Scotia, B0T 1W0, Telephone (877) 878-2789 or [sjd@blackbullresources.com](mailto:sjd@blackbullresources.com).

## **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals indicated in the Form of Proxy to vote with respect to such matters in accordance with their best judgment.

## **APPROVAL AND CERTIFICATION**

The contents of this Information Circular have been approved by the Board of Directors of the Corporation.

**DATED: February 28, 2007**

*“Robert Cudmore”*

Robert W. Cudmore, CA  
Interim President & Chief Executive Officer/  
Chief Financial Officer

## **APPENDIX**

### **AUDIT COMMITTEE CHARTER**

#### **BLACK BULL RESOURCES INC. (“Corporation”)**

The Audit Committee of the Board of Directors has the responsibilities and duties as outlined below:

#### **1. MANDATE**

1.1 To perform such duties as may be required by:

- a) The Alberta Companies Act; and
- b) Other applicable legislation and regulations including those of the British Columbia Securities Commission, Alberta Securities Commission, Ontario Securities Commission, and the TSX Venture Exchange.

1.2 To assist the Board of Directors in fulfilling its oversight responsibilities for:

- a) The integrity of the Company's financial statements;
- b) The Company's compliance with legal and regulatory requirements relating to financial disclosure;
- c) The external auditors' qualifications, independence and performance;
- d) Identification and monitoring of principal risks that could impact the financial reporting of the Company; and
- e) The system of internal control for financial reporting.

1.3 To perform such other duties as may from time to time be assigned to the Audit Committee by the Board.

#### **2. AUDIT COMMITTEE COMPOSITION**

The Audit Committee shall be composed of three or more Directors, appointed by the Board. Each member will have no direct or indirect relationship with the issuer, which, in the view of Black Bull's Board of Directors, could reasonably interfere with the exercise of a member's independent judgment except as otherwise permitted by applicable laws. Applicable laws and regulations will be followed in evaluating a member's independence.

All members of the Audit Committee shall be financially literate (able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the company's financial statements). A member of the Board of Directors who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within four months following his or her appointment, subject to the company's board of directors determining that this appointment will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of this mandate.

If an Audit Committee member ceases to be independent for reasons outside the member's reasonable control, the member shall tender their resignation to the Chair of the Corporate Governance Committee, within three months of the occurrence of the event which caused the member to not be independent.

Members are reappointed annually by the Board, with such appointments to take effect immediately following the Annual General Meeting of Shareholders, Members shall hold office until the earlier of the time which

their successors are appointed, or they cease to be Directors of Black Bull. Vacancies of members of the Audit Committee may be filled for the remainder of the current term of appointment by the Board, upon recommendation of the Corporate Governance Committee.

The Board shall appoint from the Audit Committee membership a Chair for the Audit Committee to preside at its meetings. The Chair must be independent. In the absence of the Chair, one of the other members of the Audit Committee present shall be chosen by the Audit Committee to preside at the meeting.

### **3. AUTHORITY**

The Audit Committee has the authority to:

- a) Conduct or authorize an investigation into any matters within its scope of its mandate or responsibility;
- b) At the company's expense, as determined by the Committee, retain independent counsel, accountants, or others to advise the Audit Committee or assist in carrying out its duties or assist in the conduct of an investigation;
- c) Meet with management, internal auditors, external auditors or outside counsel as necessary; and
- d) Call a meeting of the Board to consider any matter of concern to the Audit Committee.

### **4. MEETINGS**

The Audit Committee shall meet quarterly or more frequently as circumstances dictate. Meetings of the Audit Committee may be called by:

- a) The Chair;
- b) Any member of the Audit Committee; or
- c) The external auditors.

The external auditors may be invited to attend and be heard at every Audit Committee meeting and have the opportunity to discuss matters with the Audit Committee without the presence of management at each meeting, the Secretary of the Company shall act as Secretary of the Audit Committee, and minutes of the Audit Committee shall be recorded and maintained by the Secretary.

### **5. RESPONSIBILITIES**

5.1 As required by the Board, the external auditor reports directly to the Audit Committee.

5.2 The Audit Committee must recommend to the Board of Directors;

- a) the external auditor to be nominated for purposes of preparing or issuing an auditor's report or performing other audit, review, or attest services for Black Bull; and
- b) The compensation of the external auditor.

5.3 The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditors Report or performing other audit, review, or attest services for Black Bull, including the resolution of disagreements between management and the external auditor regarding financial reporting.

5.4 The Audit Committee must pre-approve all non-audit services to be provided to Black Bull or its subsidiary entities by Black Bull's external auditor. The Audit Committee has delegated to the Chair

of the Committee the authority to pre-approve the non-audit services, with such pre-approval presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De minimis non-audit services satisfy the pre-approval requirement provided:

- a) the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total audit fees paid by Black Bull and its subsidiaries to Black Bull's external auditor during the fiscal year in which the services are provided;
- b) Black Bull or subsidiaries of Black Bull, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Audit Committee of Black Bull and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit engagements.

The Audit Committee has instructed management that, to obtain pre-approval, management must detail the work to be performed by the external auditor and obtain the assurance from the external auditor that the proposed work does not impair their independence.

- 5.5 The Audit Committee reviews and recommends to the Board approval of Black Bull's financial statements, MD&A, and annual and interim earnings press releases prior to public disclosure of this information. It also ensures that adequate procedures are in place for the review of financial information extracted or derived from Black Bull's financial statements, contained in Black Bull's other financial disclosures, and must periodically assesses the adequacy of those procedures.
- 5.6 The Audit Committee must establish procedures for:
  - a) the receipt, retention, and treatment of complaints received by Black Bull regarding accounting, internal accounting controls, or auditing matters; and
  - b) the confidential, anonymous submission by employees of Black Bull of concerns regarding questionable accounting or auditing matters.
- 5.7 The Audit Committee must review and approve Black Bull's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of Black Bull.
- 5.8 The Audit Committee shall review the certificate issued and process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.
- 5.9 The Audit Committee shall report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting,
- 5.10 The Audit Committee shall review the Form 52-110F1, disclosure required in the company's Annual Information Form.

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