



**Blue Note Mining Inc.
("Blue Note" or the "Corporation")**

**ANNUAL INFORMATION FORM
Fiscal Year Ended December 31, 2008**

March 31, 2009

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This annual information form contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performances of Blue Note, its subsidiary and their respective projects, its ability to continue as a going concern, the future price of zinc, lead, copper, nickel, gold and silver, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, estimated costs of future production, capital, operating and exploration expenditures, costs and timing of the care and maintenance or development of the Caribou and Restigouche Properties (as defined below), the costs and timing of future exploration, requirements for additional capital, government regulation of exploration, development and mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, the proceedings undertaken by Blue Note Caribou Mines Inc., Blue Note’s wholly-owned subsidiary, under the *Companies’ Creditors Arrangement Act* (“CCAA”) (and limitations of insurance coverage. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Blue Note to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, those factors discussed in the section entitled “Risk Factors” in this annual information form. Although Blue Note has attempted to identify statements containing important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein are made as of the date of this annual information form based on the opinions and estimates of management on the date statements containing forward-looking information are made, and Blue Note disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise, unless required under applicable securities laws. Among other things, management has assumed that the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

CURRENCY OF INFORMATION

Unless otherwise indicated, the information in this annual information form is given as of December 31, 2008. All amounts in this annual information form are expressed in Canadian dollars unless otherwise indicated. References to “US\$” are to United States dollars.

BLUE NOTE MINING INC.

Name, Address and Incorporation

Blue Note Mining Inc. (“Blue Note” or the “Corporation”) was incorporated under the *Canada Business Corporations Act* on February 20, 2002 under the name San Lorenzo Resources Inc./Resources San Lorenzo Inc. The Corporation’s head and registered office is located at 1 Place Ville Marie, Suite 1511, Montreal, Quebec H3B 2B5.

On December 15, 2004, the Corporation's articles of incorporation were amended to: (i) change its corporate name to Blue Note Metals Inc./Metaux Note Bleue Inc.; (ii) remove the private company restrictions and the restrictions against the transfer of the Corporation's common shares ("Common Shares"); and (iii) delete the existing Class A, Class B, Class C and Class D preferred shares and create a single class of preferred shares (the "Preferred Shares") issuable in series. On October 4, 2006, the Corporation changed its name from Blue Note Metals Inc. to Blue Note Mining Inc. and changed its stock symbol from "BNT" to "BN".

Intercorporate Relationships

The Corporation formed Blue Note Caribou Mines Inc. ("BNC"), a wholly-owned subsidiary, to act as its operating arm for mining interests in the province of New Brunswick. BNC was incorporated on August 4, 2006 under the *Canada Business Corporations Act* and its principal office is located at 1850 Vanier Blvd P.O. Box 26, Bathurst, New Brunswick E2A 2Z1. BNC has undertaken proceedings under the CCAA. See "General Development of the Business – Subsequent Events".

GENERAL DEVELOPMENT OF THE BUSINESS

Overview (as at December 31, 2007)

Since incorporation, Blue Note has been engaged in mineral exploration. Prior to November 10, 2005, the Corporation carried on its activities as a wholly-owned subsidiary of Forest Gate Resources Inc. ("Forest Gate") and, as such, its operations were not reported separately. All working capital was provided by Forest Gate as well as all direction regarding its exploration activities.

Under a plan of arrangement completed on November 10, 2005 (the "Arrangement") and approved by the shareholders (the "FG Shareholders") of Forest Gate, the then parent company of Blue Note, the FG Shareholders agreed to exchange each of their common shares of Forest Gate for one new common share of Forest Gate and 0.1168 reorganization shares of Forest Gate (the "Reorganization Shares"). All of the Reorganization Shares held by the FG Shareholders were subsequently transferred to Blue Note in exchange for Common Shares, on the basis of one Common Share for each Reorganization Share.

Forest Gate then redeemed all of the Reorganization Shares held by Blue Note in consideration for the transfer to Blue Note of the Canoe Landing Lake, Rio Road and California Lake properties (collectively, the "Canoe Landing Lake, Rio Road and California Lake Properties") and \$1,000,000 of working capital. In addition, Blue Note received the rights to a letter of intent dated October 3, 2004 (the "Letter of Intent") between Forest Gate, of the first part, and Breakwater Resources Ltd. ("Breakwater") and its wholly-owned subsidiary, CanZinco Ltd. ("CanZinco"), of the second part, to purchase the mineral properties and mine facilities which comprise the Caribou and Restigouche properties (individually, the "Caribou Property" and the "Restigouche Property", and collectively, the "Caribou and Restigouche Properties").

On November 16, 2005, the Common Shares were listed for trading on the TSX Venture Exchange ("TSXV") under the symbol "BNT" which symbol was later changed to "BN".

In August 2006, in accordance with the terms of the Letter of Intent, and under an asset purchase agreement dated July 26, 2006 between the Corporation and CanZinco (the "Asset Purchase Agreement"), the Corporation acquired the Caribou and Restigouche Properties (the "Acquisition") by (i) replacing the reclamation deposits with the New Brunswick government for environmental rehabilitation of approximately \$10.4 million, (ii) issuing a \$15,000,000 unsecured subordinated convertible debenture in favor of Breakwater with a maturity date of five years (the "Convertible

Debenture”) and (iii) assuming a \$7,500,000 debenture in favor of the New Brunswick government (the “Government Debenture”). The Government Debenture bears no interest and has repayment terms indexed to the price of zinc.

The Corporation also agreed to pay Breakwater a royalty on zinc metal production from the Caribou and Restigouche Properties in the event the price of zinc exceeds US\$0.65 per pound as determined on the London Metals Exchange. In addition, Blue Note entered into a marketing agreement with Breakwater whereby Breakwater acts as the Corporation’s agent for the marketing of its concentrates.

2007 Activities

On February 7, 2007, the Corporation announced that the Caribou Property underground mine had been completely dewatered and the Restigouche Property open pit mine was in the process of being dewatered.

During the winter and spring of 2007, refurbishing and reconstruction of the concentrator was undertaken. This included the purchase and installation of a new surface crusher, refurbishing and reconstruction of the ore handling and storage facilities and the primary grinding circuits, complete reconstruction of the flotation area, installation of new ultrafine grinding equipment and refurbishing and reconstruction of the dewatering equipment. As well, extensive work was completed on the site electrical systems, the mill service infrastructure and the site buildings. Where possible and practical, existing equipment was rebuilt or used equipment was purchased. However, due to the tight market for used equipment, a considerable amount of new equipment was purchased and installed for these purposes.

Commissioning of the mill took place throughout the month of June 2007 when the crushing, grinding, flotation and dewatering circuits, and all ancillary mechanical installations were being prepared for production. On July 16, 2007, Blue Note announced that it had started processing ore at its Caribou Property mine, with the stockpiling of over 40,000 tonnes of ore at surface.

BIOTEQ Environmental Technologies Inc. (“BIOTEQ”) continued with wastewater treatment at the Caribou and Restigouche Property mines through 2006 until June 14, 2007, when this arrangement was terminated.

On June 29, 2007, the Corporation transferred the Caribou and Restigouche Properties to BNC, its wholly-owned subsidiary, on a rollover basis under a transfer agreement dated June 12, 2007.

In August 2007, the Corporation made its first delivery of lead concentrate to Xstrata’s lead smelter in Belledune, New Brunswick. As well, the first shipment of zinc concentrate production from the Belledune Port for delivery overseas was made in October 2007.

Effective January 1, 2008, the Caribou and Restigouche Properties achieved commercial production, producing approximately 80 million pounds of zinc and 42 million pounds of lead in 2008. During a period of eighteen months, Blue Note invested approximately \$116 million in the completion of a major capital investment program that revived the former producer of zinc and lead concentrate.

2008 Activities

On February 8, 2008, the Common Shares began to trade on the Toronto Stock Exchange (“TSX”). They continued to trade under the symbol “BN”.

On September 3, 2008, Blue Note announced that Breakwater exercised its right to invert the Convertible Debenture into a 20% interest in the Caribou and Restigouche Properties. On October 17, 2008, BNC

introduced a temporary care and maintenance program on these properties. Since commercial production was achieved in January 2008, operating performance had continuously improved with all of the original planned production targets being achieved or surpassed. The concentrator processes 3000 tonnes per day of ore from the mines with zinc and lead recoveries exceeding 83% and 70%, respectively. Despite this excellent operating performance, zinc and lead prices make the mine unprofitable.

On December 10, 2008, Blue Note reported a gold discovery occurrence on its Williams Brook property. See “Exploration Properties – The Williams Brook Property”.

Subsequent Events

The New Brunswick Court of Queen’s Bench granted CCAA protection for an initial 30 days expiring on March 22, 2009, to be extended thereafter as the Court deems appropriate. The CCAA protection stayed creditors, suppliers and others from enforcing any rights against BNC while BNC reviews the various alternatives for the restructuring of its affairs.

The Court also authorized BNC to borrow up to \$1,000,000 to fund its care and maintenance program at the Restigouche and Caribou Properties. These actions were necessary because of BNC’s inability to fund operations due to the collapse of metals prices and onerous zinc concentrate commercial terms.

On January 1, 2008, zinc and lead prices were US\$1.08 per pound and US\$1.23 per pound, respectively. On February 17, 2009, the price for zinc was US\$0.49 and lead was US\$0.48 per pound. Blue Note’s exploration properties, including Williams Brook, were not affected by this action as they are not held by BNC.

While under the CCAA protection, management of BNC remains responsible for the day-to-day operation of BNC, under the supervision of the Court appointed monitor, PricewaterhouseCoopers Inc., is responsible for monitoring BNC’s ongoing operations, assisting management with the development of a restructuring plan, reporting to the creditors and the Court, and assisting management with respect to the restructuring of the business.

On March 20, 2009, the Court granted BNC CCAA protection for an additional 60 days expiring on May 21, 2009, to be extended thereafter as the Court deems appropriate.

The terms of the initial order were continued with certain modifications. The Court increased the amount BNC can borrow to continue to fund its care and maintenance program at its Restigouche and Caribou Properties from \$1,000,000 to \$2,000,000. The order provides that these funds may be advanced to BNC from either Blue Note or the Province of New Brunswick. The order was also modified to allow any proceedings involving BNC as joint debtor to continue and further provided that mechanics lien claimants actions are continued until further order of the Court.

The Corporation’s Common Shares have been delisted from the TSX at the close of business on March 26, 2009 for failure to meet the continued listing requirements of TSX. Effective at the opening of business on March 27, 2009, the Corporation’s Common Shares have been posted for trading on the NEX Board of TSX Venture Exchange under the symbol “**BN.H**”. The TSX made the decision to delist the Corporation’s Common Shares as a result of Blue Note putting BNC into CCAA.

DESCRIPTION OF THE BUSINESS

Our Business

Blue Note is a Canadian exploration company headquartered in Montreal with gold and base metal exploration properties in Bathurst, New Brunswick. The minerals being targeted by the Corporation are zinc, lead, copper, gold and silver.

Management of the Corporation and its board of directors (the “Board”) have considerable experience in identifying, acquiring and financing mining operations, as well as managing public companies. Blue Note’s management team also has a proven record of success in various aspects of the mining industry, including exploration, mining, processing, marketing and the subsequent reclamation of mines.

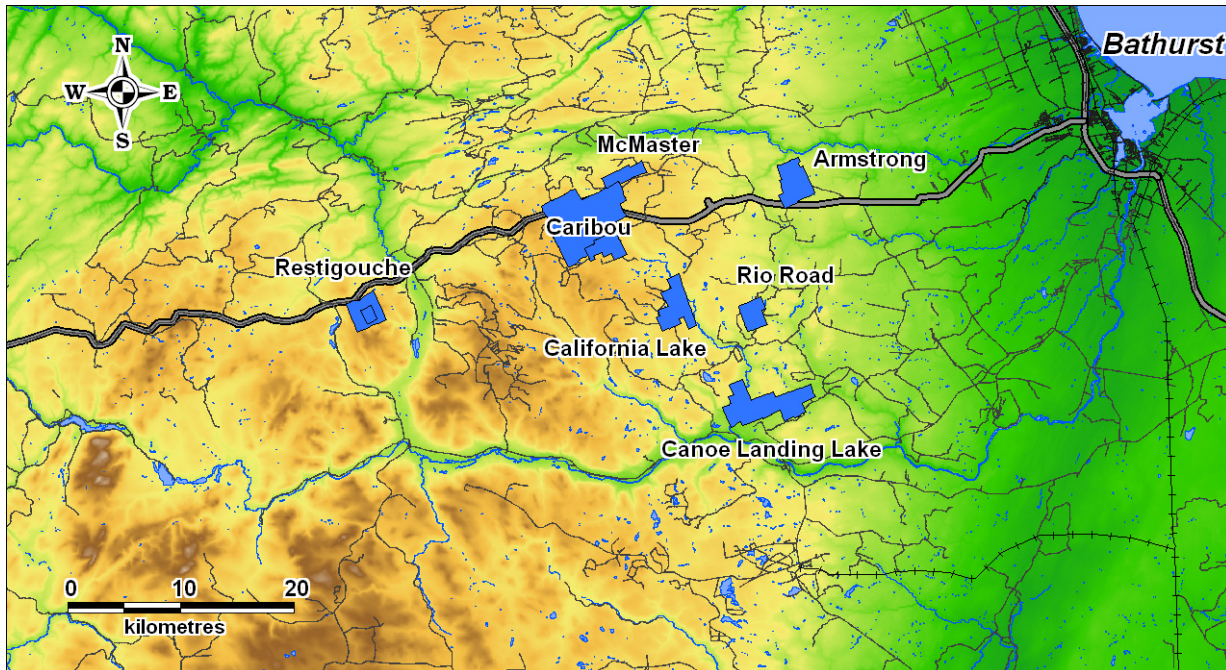
As at December 31, 2008, the Corporation had, directly or indirectly, 39 employees, 11 of whom were located at the head office of the Corporation in Montreal, Quebec and 28 of whom were located in Bathurst, New Brunswick. BNC’s care and maintenance program as well as its proceedings under the CCAA have reduced this work force to 11 as at March 27, 2009, 8 of whom are located at the head office of the Corporation in Montreal, Quebec and 3 of whom are located in Bathurst, New Brunswick. It is a significant reduction from a workforce of 287 which included 118 full-time contractors as at December 31, 2007.

The Corporation has an interest in the following mineral properties located near Bathurst, New Brunswick that are grouped according to geographic location and work programs:

- Armstrong
- California Lake
- Canoe Landing Lake
- McMaster
- Orvan Brook
- Rio Road
- Restigouche
- Williams Brook
- Bubar Brook
- Regional Gold

The locations of the mineral properties directly or indirectly held by Blue Note as of December 31, 2008 are identified in the map below.

Blue Note Mineral Properties - Location Map (As of December 31, 2008)



Exploration Properties

The Canoe Landing Lake, Rio Road and California Lake Properties

Blue Note has a 100% interest in the Canoe Landing Lake, Rio Road and California Lake properties (collectively, the Canoe Landing Lake, Rio Road and California Lake Properties”), which are base/precious metal properties located in the Bathurst Mining Camp. The total area of the Canoe Landing Lake, Rio Road and California Lake Properties is 3216 hectares in 161 unsurveyed claims. These properties were acquired by the Corporation in connection with the Arrangement completed with Forest Gate.

During 2006, the Corporation conducted a diamond drilling program on the Canoe Landing Lake property. The exploration program included 5 drill holes totalling 3,193 metres. No active exploration program was carried out in 2007 or 2008. A total of \$395,208 was invested in 2006 and \$11,367 in 2007 on the Canoe Landing Lake property. The Corporation does not currently contemplate additional exploration or development activities on these properties in the next year.

The Armstrong Property

The Armstrong property (the “Armstrong Property”) is located in Gloucester County in north-eastern New Brunswick in NTS 21O/09 at approximately 30km west of Bathurst, New Brunswick. The Armstrong Property comprises seventeen claim groups (nos. 1796, 2290, 2508, 2525, 2611, 4201, 4402, 4421, 4475, 4503, 4523, 4877, 5041, 5042, 5043, 5199 and 5292) that cover an area totalling 6802 ha or 68.02 square km and is composed of 393 claims. Claim block nos. 2611, 4503, 5041, 5042, 5043, 5199 and 5292 are 100% owned by Blue Note. Claim block nos. 2611, 4503, 5199 and 5292 are in good standing until December 1, August 3, August 3 and November 22, 2008 respectively, pending approval by the New Brunswick Department of Natural Resources (“NBDNR”) of recently submitted work including \$77,368 for no. 2611, \$5,781 for no. 4053, \$44,177 for no. 5199 and \$12,114 for no. 5292. No environmental or legal liabilities (royalties, etc.) are known to be attached to the claim blocks. Renewal

fees have been submitted for claim block nos. 5041, 5042 and 5043 and sufficient work has been performed on these claim blocks to keep them in good standing until March 19, 2010, pending approval by NBDNR for recently submitted work amounting to \$23,190, \$47,063 and \$185,895 respectively. Claim block nos. 2290, 2525, 4475, 4523 and 4877 are 100% owned by Blue Note and are subject to a 1.5% net smelter royalty (NSR) of which 50% can be purchased by Blue Note for \$500,000. No other legal liabilities and no environmental liabilities are known to be attached to the claim blocks. Claim block nos. 2525, 4475, 4523 and 4877 are in good standing until July 18, June 4, September 9 and June 8, 2008 respectively, pending approval by NBDNR for \$38,877 of recently submitted work on no. 4523. The renewal fee has been submitted for claim block no. 2290 and sufficient work has been performed on the claim block to keep it in good standing until March 24, 2010, pending approval by NBDNR for \$86,820 of recently submitted work. The Corporation holds an 80% interest in claim block 1796 and the remaining 20% is held by Breakwater Resources Inc. The property is in good standing until July 29, 2009 pending approval by NBDNR for \$317,505 of recently submitted work. The Corporation holds an option to acquire a 100% interest in claim block nos. 4201 and 4421 by making cash payments of \$45,000 and issuing 45,000 shares of the Corporation by September 9, 2009. The claim blocks are in good standing until January 3 and March 25, 2010 respectively. Further to the acquisition, the property is subject to a 2-per-cent net smelter royalty where 100-per-cent can be purchased by the Corporation at any time for \$2,000,000. No other legal liabilities and no environmental liabilities are known to be attached to the claim blocks. The Corporation holds an option to acquire a 100% interest in claim block no. 2508 by making a total of \$60,000 in cash payments to the owners by October 17, 2011. The claim block is in good standing until May 31, 2009 and sufficient work has been performed for the upcoming renewal. Further to the acquisition, the property is subject to a 2-per-cent net smelter royalty, of which 50-per-cent can be purchased by the Corporation at any time for \$1,000,000. No other legal liabilities and no environmental liabilities are known to be attached to the claim block. The Corporation holds an option agreement, dated May 8, 2008, to acquire a 100% interest in claim block no. 4402 by making cash payments of \$50,000 by May 8, 2009. Further to the acquisition, the property is subject to a 2% NSR of which 50% may be purchased by the Corporation for \$1,000,000.

Much of the project area is underlain by Spruce Lake Formation felsic volcanic rocks and sedimentary rocks. This is considered the most highly prospective formation in the Caribou-Armstrong area and is host to numerous massive sulphide occurrences and deposits from Caribou through to the Armstrong deposits. Properties in this area are also underlain by felsic volcanic and associated sedimentary rocks of the Mount Brittan Formation, Flat Landing Brook and Nepisiguit Falls formations that are also prospective for volcanogenic massive sulphide deposits in the BMC. The property hosts three sulfide deposits of significant size, Armstrong A, Armstrong B and Rocky Turn, and mineralized occurrences including Armstrong C and D, Bear Creek South A and B and Lower Tetagouche Lake East. The resource inventory for the Armstrong A and B deposits was estimated and revised four times between 1972 and 1998. The last resource estimates calculated by the previous owner, Breakwater, are considered as historical estimates and do not conform to the National Instrument 43-101 standards and definitions.

In 2007-08 a deep search Titan 24 survey was carried out on the Armstrong property. Measuring the parameters of DC (*resistivity*), IP (*chargeability*) and MT (*magnetotelluric resistivity*), Titan 24 measures to depths of 750 meters with IP and can explore beyond 1.5 kilometers with MT data. A follow up diamond drill program in 2008 led to the discovery of a new massive sulphide zone approximately one kilometer north of the Armstrong A deposit, which included 8.3 meters core length of massive sulphide in AB-08-09 grading 2.83% Zn, 1.01% Pb, 0.32% Cu, 27.1g/t Ag and 0.14 g/t Au, including 3.62% Zn, 1.46% Pb, 0.29% Cu, 32.3g/t Ag and 0.13 g/t Au over 3.0 meters. A total of \$1,754,966 was invested in exploration activities during the period. This included \$552,338 of funding from the Province of New Brunswick under the terms of an "Advanced Exploration Agreement" that was signed in March 2008. Recommended work includes geochemical and geophysical surveys and further diamond drilling.

The McMaster Property

The McMaster property (the “McMaster Property”) is located in Restigouche County in north-eastern New Brunswick on NTS 21O/09 at approximately 40km west of Bathurst. The McMaster Property consists of seven claim groups (nos. 1794, 4970, 5262, 5263, 5293, 5294 and 5295) that adjoin the Caribou mining lease (no. 246). The property covers an area totalling 3359 ha or 33.59 square km and is composed of 193 claims. Claim block nos. 4970, 5262, 5263, 5293, 5294 and 5295 are 100% owned by Blue Note and are in good standing until Nov. 20, Oct. 23, Oct. 23, Nov. 22, Nov. 22 and Nov. 22, 2009 respectively, pending approval by NBDNR for work that was recently submitted consisting of \$58,794 on no. 4970, \$10,631 on no. 5263, \$8,617 on no. 5293 and \$5,456 on no. 5294. Claim block 5262 will require \$5,000 and claim block 5295 will require \$2,250 of work in order to renew the properties in 2009. The Corporation holds an 80% interest in claim block 1794 and the remaining 20% is held by Breakwater Resources Inc. The property is in good standing until July 27, 2009 pending approval by NBDNR for \$8,974 of recently submitted work. No environmental or legal liabilities (royalties, etc.) are known to be attached to the McMaster Property.

Felsic volcanic and associated sedimentary rocks that are prospective host rocks for volcanogenic massive deposits underlie parts of the property and include the Spruce Lake, Mount Brittan, Flat Landing Reook and Nepisiguit Falls formations. The McMaster Property hosts two sulfides occurrences. The McMaster deposit is a copper enriched zone consisting of massive and disseminated sulfides that return copper values of 0.7% Cu over 8.7 meters. A diamond drill hole at the Shellalah Hill occurrence was reported to include 3.0 meters grading 0.01% Cu, 0.16% Pb and 0.1% Zn..

No mineral resources and reserves estimate conforming to the National Instrument 43-101 standards and definitions was calculated for the McMaster property although a historical mineral resources estimate is available. The historical estimate has not been verified to determine its relevance or reliability and is stated here for reference purpose only. The historical mineral resource of the McMaster deposit was reported by Breakwater Resources in 1998 to contain 250,000 tons grading 0.75% Cu to a depth of 120 meters.

During 2007, the Corporation conducted a trenching program to investigate historical geophysical and geochemical anomalies. A deep search Titan 24 survey covered parts of the property in 2008 with a total of \$53,830 invested in exploration activities during the period.

The Orvan Brook Property

The Orvan Brook property (the “Orvan Brook Property”) is located in Restigouche County in north-eastern New Brunswick in NTS 21O/09b at approximately 37 km west of Bathurst. The property covers an area totalling 228 ha or 2.28 square km and is composed of a group of 17 claims. The Corporation holds an 80% interest in claim block 1793 and the remaining 20% is held by Breakwater Resources Inc. The claims are in good standing until July 27, 2009. No environmental or legal liabilities (royalties, etc.) are known to be attached to the Orvan Brook Property.

The Orvan Brook Property is almost entirely underlain by felsic volcanic and associated sedimentary rocks of the Spruce Lake Formation and hosts two sulfide occurrences. The Orvan Brook South occurrence is located in the north portion of the Orvan Brook Property. Orvan Brook South consists of pyrite and massive pyrrhotite hosted inside a sequence of phyllitic pelite bordered by felsic volcanic schists. The best drill results for the Orvan Brook South prospect returned 3.50% Zn, 1.12% Pb, 0.28% Cu and 30.86 g/t Ag over 0.18 metres and 1.45% Zn, 0.26% Pb, 1.15% Cu and 7.54 g/t Ag over 0.85 meter. The second occurrence, called McIntyre and located in the central portion of the property, consists of veins of pyrite, chalcopyrite, sphalerite and galena in sericitized and silicified volcanic rocks, mostly

felsic in composition. The best drill results from the McIntyre prospect returned 2.6% Zn, 1.5% Pb, 0.4% Cu and 11 g/t Ag over a 1.37 metre interval.

Blue Note diamond drilled five holes in 2006-07, with a total of \$222,932 invested in the property in 2007. Follow up borehole electromagnetic surveys were carried out in 2008 with five more holes drilled. Narrow layers of massive sulphide were intersected in four of the five 2008 drill holes with grades up 3.62% Zn, 1.24% Pb, 0.37 % Cu and 19 g/t Ag over a core length of 0.5 meters. During 2008, a total of \$256,391 was invested in the Orvan Brook Property. This included \$95,623 of funding from the Province of New Brunswick under the terms of an “Advanced Exploration Agreement”. Diamond drilling to further test the massive sulphide zone is recommended.

The Restigouche Property

The Restigouche property (the “Restigouche Property”) is located in Restigouche County in north-eastern New Brunswick on NTS 210/10. The property is contiguous with and surrounds the Restigouche mining lease (no. 255) and covers an area totalling 617 ha or 6.17 square km. The property consists of claim block no. 1802 with a total of 43 claims. Blue Note Mining Inc. holds an 80% interest in claim block 1802 and the remaining 20% is held by Breakwater Resources Inc. The claims are in good standing until July 26, 2009, pending approval by NBDNR for \$152,308 of work that was recently submitted. No environmental or legal liabilities (royalties, etc.) are known to be attached to the Restigouche Property.

Much of the property is underlain by felsic volcanic and sedimentary rocks of the Mount Brittan Formation that hosts the Restigouche deposit on the adjacent mining lease. The Restigouche C-4 and C-5 mineral occurrences are situated on the property. The best drill hole intersection at the C-4 occurrence was 4.4 meter core length grading 6.74% Zn, 1.60% Pb, 0.20% Cu and the best intersection at C-5 was 16.6 meter core length grading 0.38% Zn and 1.05% Cu.

During 2007, the Corporation invested a total of \$78,374 in exploration activities including grid establishment and induced polarization geophysical surveys. In 2008, \$93,710 was invested in the property that included diamond drilling and borehole electromagnetic surveying.

The Williams Brook Property

In October 2006, the Corporation signed an option agreement with David O’Neill on the William’s Brook property (the “William’s Brook Property”), located in Restigouche County, New Brunswick. Under the agreement, the Corporation may acquire a 100% undivided interest in and to the William’s Brook Property by making payments of up to \$250,000 over a 5-year period from the effective date of November 3, 2006, subject only to a 2% net smelter royalty (the “WB NSR”). The Corporation may, at its option, make half of the payments by issuing Common Shares at the price at which the Common Shares trade on the day of issue. The Corporation may also, at its option, purchase half of the WB NSR for \$1,000,000. Advanced royalty payments of \$15,000 per year must be made by the Corporation commencing on November 3, 2011 until payments become due under the WB NSR. The property consists of 112 contiguous claims that cover 1,842 ha (18.42 sq km) and are in good standing until July 14, 2009. Sufficient work has been performed to renew the property.

The Williams Brook area is underlain by the Wapske Formation (Tobique Group), that contains mafic and felsic volcanic rocks interlayered with fine-grained sedimentary rocks. The Wapske Formation is conformably overlain by the Early Devonian Greys Gulch Formation that consists of brown micaceous sandstones.

During 2007, the Corporation carried out soil geochemical surveys, prospecting, line cutting, an induced polarization survey and a trenching program on the William's Brook Property. Total expenditures in 2007 were \$73,346, of which \$20,000 was paid by the New Brunswick Junior Mining Assistance Program. In 2008, the Corporation extended the cut grid and induced polarization coverage. Diamond drilling was carried out that intersected significant gold mineralization with up to 28.0 meters (estimated true width of 23.3 meters) grading 0.91 g/t gold, which included grades up to 5.44 g/t gold over 1.0 meter in hole WB-08-04 and hole WB-08-11 intersected 2.8 meters grading 11.16 g/t gold. A total of \$476,713 was invested in the property in 2008. Overburden stripping and detailed mapping and sampling is planned in the gold discovery areas followed by further diamond drilling. Geochemical surveys are also planned on the property.

Regional Gold and Bubar Brook Properties

Recent gold discoveries on the Williams Brook property prompted significant ground acquisition by the Corporation in the region. In December 2008, the Regional Gold properties were staked, consisting of 1,826 claims in eight contiguous claim groups (nos. 5493, 5495, 5499, 5500, 5502, 5503, 5504 and 5505) in Restigouche County that covered ground proximal to the gold discoveries and also covered historical gold anomalies in till. The Bubar Brook Property (claim group no. 5506), located in Northumberland County and 20 km south of the Regional Gold claims was also staked in December 2008 to cover historical gold anomalies in till and stream sediment samples. The Regional Gold property covers 39,740 ha (397.4 sq km) and the Bubar Brook property covers 1,227 ha (12.27 sq km). No work was done on the properties by the Corporation. Claim block nos. 5493 and 5495 are in good standing until December 1, 2009, claim block nos. 5499 and 5500 are in good standing until December 5, 2009 and claim block nos. 5502, 5503, 5504, 5505 and 5506 are in good standing until December 8, 2009. A total of \$182,600 of work must be performed on the Regional Gold properties in order to renew the claims in December 2009 and \$5,600 of work must be performed on the Bubar Brook property to renew the claims in December 2009. In 2008, the Province of New Brunswick recently initiated map staking to replace ground staking of mining claims. The Regional Gold and Bubar Brook properties were acquired by map staking which required a \$10 staking fee and \$50 refundable work deposit per claim. Should sufficient work be performed to renew all claims on the Regional Gold and Bubar Brook properties the Corporation will be re-imbursed \$94,100 from the province.

According to the regional mapping by the Province of New Brunswick, twelve different formations are present on the Regional Gold property. The northern part is underlain by the Upsalquitch, Boland Brook and White Head formations. The southern part is underlain by the Benjamin, Bryant Point, Greys Gulch, Jacquet River, Limestone Point, Mitchell Settlement, Pabos, Sunnyside and Wapske formations. Siluro-Devonian felsic intrusive rocks, as well as Siluro-Devonian gabbros, have also been observed. The Bubar Brook property is underlain by sedimentary rocks of the Knights Brook and Patrick Brook formations (Miramichi Group).

Till and stream sediment geochemical surveys are recommended for the Regional Gold and Bubar Brook properties with follow up including geophysical surveys and trenching or diamond drilling.

RISK FACTORS

Lack of Source of Income

To date, Blue Note has generated very limited income from operations. Blue Note may therefore be dependent on raising funds through the issuance of securities or attracting joint venture partners in order to finance further property acquisitions, undertake exploration and development of its mineral properties

and meet general and administrative expenses. There is no assurance that Blue Note will be successful in raising the required capital in the future.

Ability to Continue as a Going Concern

Following the proceedings undertaken by BNC under the CCAA, the Corporation's ability to continue as a going concern is dependent on the outcome of its ongoing discussions with creditors, which are mostly dependent on matters outside the Corporation's control. Accordingly, substantial doubt exists as to whether the Corporation will be able to continue as a going concern. There can be no assurance that once a decision is made with respect to future operations and its debts that either the Corporation will be able to execute on its debt restructuring plans or recover the amounts currently recorded as long-lived assets.

The granting of the CCAA order constitutes an event of default under the Note Indenture therefore the full amount of the Senior Secured Notes has been accelerated and is now immediately due and payable. The Corporation is presently in discussions with the holders of the Senior Secured Notes attempting to reach a settlement of the Senior Secured Notes.

Financing Risks

Additional funding may be required to complete the funding of the proposed or future exploration and operational programs on Blue Note's properties and to conduct any other exploration programs. If Blue Note's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to Blue Note are the sale of equity or debt capital, government funding or the offering by Blue Note of an interest in its properties to be earned by another party carrying out their exploration or development. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing, if required, on a timely basis could cause Blue Note to reduce or delay its proposed operations.

Uncertainty in the Estimation of Mineral Reserves and Resources

There is a degree of uncertainty to the calculation of mineral reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral resources and mineral reserve grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the Corporation's properties. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated under on-site conditions or during production.

The evaluation of the mineral resources and reserves may include inferred mineral resources that are considered not to be defined in sufficient detail to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. Furthermore, Blue Note has not conducted any geochemical or drill hole sampling, has not implemented any QAIQC procedures and may be relying on past studies completed by previous owners. Therefore, there is currently no certainty that the economic analysis proposed will be achieved.

Fluctuation in base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of mine plans and any other new information regarding recoverable reserves subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in

estimates of mineral reserves and mineral resources, or of Blue Note's ability to extract these mineral reserves, could have a material adverse effect on Blue Note's results of operations and financial condition.

Uncertainty Relating to Inferred Mineral Resources

There is a risk that the inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Corporation's properties can be mined at a profit. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. The prices of many base and precious metals have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the control of the Corporation.

Insurance and Uninsured Risks

Blue Note's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Blue Note's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Blue Note maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. Blue Note may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Blue Note or to other companies in the mining industry on acceptable terms. Blue Note might also become subject to liability for pollution or other hazards which may not be insured against or which Blue Note may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Blue Note to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Dilution

Issuances of additional securities under financings or debt restructurings will result in dilution of the equity interests of persons who are currently shareholders or who become shareholders of Blue Note.

Exploration and Development

All of the properties in which Blue Note has an interest are in the exploration stages only and are without an economic mineral deposit. Development of Blue Note's mineral properties will only follow upon obtaining satisfactory exploration results, if any. Mineral exploration and development involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. There is no assurance that Blue Note's mineral exploration and development activities will result in any discoveries of commercial mineral deposits. The long-term profitability of Blue Note's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond Blue Note's control.

Operations and Exploration

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which Blue Note has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral bearing ores, any of which could result in work stoppages, damage to property, and possible environmental damage.

Marketing

There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of Blue Note may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of commercial markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Blue Note not receiving an adequate return on invested capital or issuing its investment capital.

Shortage of Equipment and Materials

Blue Note uses a variety of raw materials in its business, including explosives, ground control supplies, diesel fuel and gasoline, propane, mill reagents and grinding media, as well as a wide variety of mining equipment. If any of these materials or equipment are unavailable, or if the prices of any of these materials or equipment increase significantly, the Corporation's production and financial performance could be negatively impacted. Mining operators have experienced shortages in a variety of equipment.

Environmental, Health and Safety Regulations

All phases of Blue Note's operations are subject to federal, provincial and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations are also subject to federal, provincial and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, provincial or local authorities will not be changed or that any such changes would not have material adverse effects on Blue Note's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on Blue Note. Additionally, Blue Note may be subject to liability for pollution or other environmental damages, which it may not insure against.

Operating Hazards and Risks

Hazards such as environmental hazards, industrial accidents, floods, fires, explosions, adverse weather conditions (including extreme winter weather), metal losses, unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. Blue Note may become subject to liability for pollution, environmental contamination, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on Blue Note's financial position. Although Blue Note maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable or Blue Note may not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event Blue Note could incur significant costs that could have a materially adverse effect upon its financial position.

Management

The success of Blue Note's business is largely dependent upon the efforts of a small management team. The loss of any key member could be detrimental to Blue Note if a suitable replacement could not be found at a comparable compensation level. Blue Note has not obtained key-man life insurance with respect to these individuals.

Nature of the Securities

The purchase of Blue Note securities will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Blue Note securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Blue Note securities should not constitute a major portion of an investor's portfolio.

Permits and Licenses

The operations of Blue Note will require licenses and permits from various governmental authorities.

Blue Note believes it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that Blue Note will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the property.

Title Matters

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. There is no guarantee of title to any of Blue Note's properties. Blue Note's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Blue Note's properties may also be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

Possible Volatility of Stock Price

The market price of Blue Note's securities can be subject to wide fluctuations in response to factors such as actual or anticipated variations in Blue Note's results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of Blue Note's securities.

The Mining Industry is Extremely Competitive

The resource industry is intensely competitive in all of its phases, and Blue Note competes with many companies that possess greater financial resources and technical facilities. Competition could adversely affect Blue Note's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect Blue Note's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Business Partners

Blue Note's business and technology systems and platforms depend on products and services provided by third parties including contractors, surveyors, consultants, etc. If there is any interruption or other disruption to the products or services provided by third parties, Blue Note's business may be adversely affected and Blue Note may be unable to fund adequate replacement products or services on a timely basis or at all.

Conflicts of Interest

Certain directors and officers of Blue Note are also directors, officers, or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploiting natural resource properties. In particular, Michael Judson is the president and chief executive officer, and a director of Forest Gate Resources Inc. ("Forest Gate"), which is involved in the business of the exploration of oil and gas properties. In addition, Jean Mayer, a director of Blue Note, is also director of Forest Gate. Such associations may give rise to conflicts of interest from time to time. The directors of Blue Note are required by law to act honestly and in good faith with a view to the best interests of Blue Note and to disclose any interest which they may have in any project or opportunity of Blue Note. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his or her interest and abstain from voting on such matter. In determining whether or not Blue Note will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Blue Note may be exposed and its financial position at the time.

Litigation Risks

The Corporation is involved in legal proceedings, which were initiated by the Fern Trust and Breakwater Resources Ltd. and are described under "Legal Proceedings and Regulatory Actions".

DIVIDENDS

To date, the Corporation has not paid dividends and it intends to reinvest future earnings in order to finance the growth of its business. Any future decision to pay dividends is at the discretion of the Board and will depend upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board may deem relevant.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As at December 31, 2008, there were 363,269,313 Common Shares issued and outstanding. No Preferred Shares are currently issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to each class of shares of the Corporation.

Common Shares

Blue Note is authorized to issue an unlimited number of Common Shares. The Common Shares are all without par value and entitle their holders to vote at any meeting of shareholders, on the basis of one vote per share, to receive all dividends declared by the Corporation on such shares and to receive the remaining property of the Corporation upon its dissolution.

Preferred Shares

The Corporation may issue Preferred Shares in one or more series. The Directors may by resolution fix the number of shares in, and determine the designation of the shares of each series of Preferred Shares. The Directors may by resolution alter the articles of the Corporation to create, define and attach rights and restrictions to the shares of each series of Preferred Shares.

Warrants

Blue Note has the following outstanding warrants (collectively, the “Warrants”), each Warrant being exercisable to purchase one Common Share:

Number Issued	Issue Date, Exercise Price and Expiry Date
333,333	Issued on June 12, 2007 – Exercisable at \$0.60 until June 11, 2009
35,750,000	November 9, 2007 – Exercisable at \$0.67 until November 8, 2009
5,362,500	December 7, 2007 – Exercisable at \$0.67 until November 8, 2009

The Warrants provide a number of anti-dilution protection for the holders of the Warrants in connection with specified events, including the right to adjustment of the exercise price upon the occurrence of certain fundamental transactions.

Senior Secured Notes

On May 4, 2007, the Corporation issued \$25,000,000 of senior secured notes in the principal amount of \$1,000 (the “Senior Secured Notes”) under a note indenture among Computershare Trust Company of Canada (the “Trustee”), BNC and Blue Note (the “Note Indenture”). The Senior Secured Notes bear interest at 11% per annum, accruing from May 4, 2007, payable semi-annually in arrears, in equal instalments on the last day of March and September of each year. The Senior Secured Notes will become due and payable, together with all accrued interest and unpaid interest thereon, on March 31, 2012. The Senior Secured Notes rank *pari passu* and are a direct senior obligation of Blue Note and are guaranteed on a senior secured basis by BNC. The Senior Secured Notes are secured by a first charge on the secured assets of BNC, subject only to permitted encumbrances, as defined in the Note Indenture.

Blue Note must redeem one-third of the original principal amount of the Senior Secured Notes on each of March 31, 2010, March 31, 2011 and at maturity date at a redemption price which is equal to 100% of the original principal amount of each Note (without premium). Notice of intention to redeem any Senior Secured Notes must be given by Blue Note to the holders of the Senior Secured Notes which are to be redeemed not more than 60 days and not less than 30 days prior to the date fixed for redemption.

When not in default, at any time after March 31, 2009, Blue Note may at its option redeem the Senior Secured Notes in whole at any time or in part from time to time, on giving not more than 60 nor less than 30 days' prior notice to the holders of the Senior Secured Notes, at a redemption price which is equal to the percentage of the principal amount of each Senior Secured Note delineated in the Note Indenture outstanding at such time.

If a change of control occurs before March 31, 2009, Blue Note may at its option redeem the Senior Secured Notes in whole for cash on giving not more than 60 nor less than 30 days' prior notice to the holders of the Senior Secured Notes, at a redemption price which is equal to 103% of the principal amount of each Senior Secured Note, plus accrued and unpaid interest to but excluding the date fixed for redemption. If Blue Note does not notify the Trustee of its intention to redeem the Senior Secured Notes at its option in whole or within 15 business days of the change of control, in certain circumstances Blue Note must make an offer to purchase the Senior Secured Notes in accordance with a procedure and price set out in the Note Indenture.

If an event of default occurs, as defined in the Note Indenture, and is continuing, the principal amount of, the premium, if any, and accrued and unpaid interest on, all Senior Secured Notes then outstanding will be due and payable immediately.

The holders of the Senior Secured Notes have the right to convene meetings of noteholders, make resolutions at such meetings and create instruments in writing under the Note Indenture. Such resolutions and instruments will be binding on and may affect the rights and entitlements of all holders of Senior Secured Notes.

The Senior Secured Notes may be transferred in accordance with the terms in the Note Indenture and upon compliance with additional requirements as the trustee or other registrar may prescribe.

Rights

The fundamental objectives of the shareholder protection rights agreement plan (the "Shareholders Rights Plan") between the Corporation and Pacific Corporate Trust Company dated as of January 19, 2006 are to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over bid for the Corporation.

One right ("Right") has been issued by the Corporation in respect of each Common Share that is currently outstanding, and one Right will be issued in respect of each Common Share issued during the balance of the term of the Shareholders Rights Plan prior to the Separation Time, as described below.

The Rights will separate from the Common Shares and will be exercisable ten business days (the "Separation Time") after a person has acquired, or commences a take-over bid to acquire, 20% or more of the Common Shares, other than by an acquisition under a take-over bid permitted by the Rights Plan (a "Permitted Bid"). The acquisition by any person (an "Acquiring Person") of 20% or more of the Common Shares, other than by way of a Permitted Bid, is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten trading days

after the occurrence of the Flip-in Event, each Right (other than those held by the Acquiring Person), will permit the purchase of \$150 worth of Common Shares for \$75.

For the purposes of the Shareholder Rights Plan, the requirements for a Permitted Bid include the following:

- (a) the take-over bid must be made to all shareholders, other than the bidder;
- (b) the take-over bid must be outstanding for a minimum period of 60 days and Common Shares tendered under the take-over bid may not be taken up prior to the expiry of the 60 day period and only if at such time more than 50% of the Common Shares held by shareholders, other than the bidder, its affiliates and persons acting jointly or in concert and certain other persons (the “Independent Shareholders”), have been tendered to the take-over bid and not withdrawn;
- (c) the take-over bid must permit Common Shares to be deposited under the take-over bid, unless it is withdrawn, at any time prior to the date Common Shares are first taken up and paid for; and
- (d) if more than 50% of the Common Shares held by independent shareholders are tendered to the take-over bid within the 60 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional ten days from the date of such public announcement.

The Rights Plan also allows for a competing Permitted Bid (a “Competing Permitted Bid”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 21 days.

MARKET FOR SECURITIES

Trading Price and Volume

As of February 8, 2008, the Common Shares were quoted for trading on the TSX under the trading symbol “BN”. Prior to that date, the Common Shares were quoted for trading on the TSXV under the trading symbol “BNT”. The following table sets forth the high and low trading prices and volume of trading in the Common Shares for the 12 months prior to the Corporation’s fiscal year ended December 31, 2008:

2008	Price Per Common Share		Volume
	High	Low	
December	\$0.035	\$0.005	120,037,631
November	\$0.035	\$0.005	41,516,814
October	\$0.035	\$0.005	72,188,618
September	\$0.065	\$0.03	46,674,747
August	\$0.09	\$0.04	95,168,219
July	\$0.14	\$0.07	58,266,353
June	\$0.20	\$0.135	48,741,873
May	\$0.315	\$0.17	41,980,916
April	\$0.31	\$0.26	10,432,380

2008	Price Per Common Share		Volume
	High	Low	
March	\$0.41	\$0.28	12,595,573
February	\$0.425	\$0.31	23,872,052
January	\$0.355	\$0.24	32,532,623

Prior Sales

No securities were issued by the Corporation during its fiscal year ended December 31, 2008 that are outstanding but not listed or quoted on a market place were:

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth, as at March 27, 2009, unless otherwise indicated, the names and municipalities of residence, the position held with the Corporation and the principal occupation of each of the current directors and senior officers of the Corporation:

Name of Nominee, Municipality of Residence and Present Position with the Corporation	Principal Occupation for the Past Five Years	Period as Director	Current No. of Common Shares Beneficially Owned
Michael C. Judson ⁽²⁾ Westmount, Quebec, Canada President, Chief Executive Officer, Chairman and Director	President and Chief Executive Officer of the Corporation and Chairman of the Board. President and Chief Executive Officer of Forest Gate Resources Inc. since 1999.	2002 - present	1,021,310
David Crevier ^{(1) (2) (3)} Montreal, Quebec, Canada Director	Partner in the law firm Colby, Monet, Demers, Delage & Crevier since 1984.	2009	Nil
John Anderson ^{(1) (2) (3)} Vancouver, BC, Canada Director	President of Key Gold Corp. from May 2004 until September 2007. Chief Executive Officer of Wescorp Energy from March 2003 until April 2004.	2009	Nil
Lorne Woods Westmount, Quebec, Canada Vice President, Investor Relations and Director	Vice President, Investor Relations of the Corporation since June 2006 and Vice President, Corporate Development of the Corporation from September 2005 until June 2006. Prior thereto Vice President, Investor Relations at Judson Woods Inc.	N/A	691,348
Jean Mayer ^{(1) (3)} Montreal, Quebec, Canada Vice President, Legal & Corporate Affairs, Corporate Secretary and Director	Vice President, Legal & Corporate Affairs of the Corporation since October 2007. Prior thereto General Counsel and President of Mindready Solutions Inc.	2008- present	Nil

Executive Officers

Name of Nominee, Municipality of Residence and Present Position with the Corporation	Principal Occupation for the Past Five Years	Period as Director	Current No. of Common Shares Beneficially Owned
Robert Therriault Westmount, Quebec, Canada Vice-President, Finance and Chief Financial Officer	Vice President Finance and Chief Financial Officer of the Corporation since January 2009. Prior thereto, financial consultant from 2006 to 2008. Prior thereto, Vice President, Stanton Asset Management, an investment management firm.	N/A	Nil
John Martin Miramichi, New Brunswick, Canada Chief Operating Officer	Professional Engineer. Chief Operating Officer of the Corporation since 2004 and President until February 2007. Mining consultant from 2003 to 2004. General Manager, Arvin Special Machinery, a precision machining business, from 2001 to 2003. General Manager, Breakwater Resources Inc. - Caribou Mine, from 1999 to 2001, General Manager - Noranda Inc. - Brunswick Mine from 1995 to 1999, General Manager - Noranda Inc. - Heath Steele Mine from 1989 to 1995.	2004-2008	600,000

Notes:

- (1) Current Members of the Audit Committee are: David Crevier, John Anderson and Jean Mayer.
- (2) Current Members of the Corporate Governance Committee are: David Crevier, John Anderson and Michael Judson.
- (3) Current Members of the Environment, Health and Safety Committee are: David Crevier, John Anderson and Jean Mayer.

As at the date of this annual information form, the current Board and senior officers of the Corporation beneficially own, directly or indirectly, as a group 1,712,658 Common Shares representing approximately 0.47% of all outstanding voting securities of the Corporation.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and officers of other natural resource companies. See “Risk Factors – Conflicts of Interest”.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no director or executive officer of the Corporation is, as at the date of this annual information form, or was within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to an order 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 an order 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.

Other than as disclosed below, no director or executive officer of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation

- (a) is, as at the date of this annual information form, or has been within the 10 years before the date of this annual information form, a director or executive officer of any company 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 annual information form, 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 the assets of the director, executive officer or shareholder;

In an effort to salvage Mindready Solutions Inc. (“Mindready”), Mr. Jean Mayer became its president and one of its directors on August 6, 2007. M. Mayer left Mindready to join Blue Note in October 2007. On January 25, 2008, Mindready filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada).

Mr. Michael C. Judson is the sole director of BNC, which instituted proceedings under the CCAA. See “General Development of the Business – 2008 Activities and Beyond”.

No director or executive officer of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control 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.

AUDIT COMMITTEE

The Audit Committee’s Mandate

The audit committee of the Board (the “Audit Committee”) and the Board adopted a mandate of the Audit Committee (the “Audit Committee Mandate”) on August 15, 2007. The Audit Committee Mandate is set out in full in Schedule “A” to this annual information form. The text of the Audit Committee Mandate is also available on SEDAR at www.sedar.com and on the Corporation’s website at www.bluenotemining.ca.

Composition of the Audit Committee

As at the date hereof, the members of the Audit Committee of the Corporation are David Crevier, John Anderson and Jean Mayer, all of whom are financially literate within the meaning of Multilateral Instrument 52-110 – *Audit Committees* (“MI 52-110”). Messrs. Crevier and Anderson are “independent” within the meaning of MI 52-110.

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

David Crevier

Mr. Crevier holds degrees in Civil Law and Common Law from McGill University and has been a partner in the law firm Colby, Monet, Demers, Delage & Crevier since 1984. His career in commercial law, with an emphasis on transactions and financing in the natural resources sector, spans more than three decades. He has acted as a director of numerous public and private companies during his career, and in such capacity has often served on audit committees.

John Anderson

Mr. Anderson holds a Bachelor of Arts from the University of Western Ontario. He is former President of Key Gold Corporation. He is also former Chief Executive Officer of Wescorp Energy. He has also served as director with various reporting issuers.

Jean Mayer

Mr. Mayer holds degrees in Civil Law and Political Science from the University of Ottawa and has 10 years experience with various public and private companies. He is also former President and director of Mindready Solutions Inc. and initially was General Counsel of Mindready. He practised law at Desjardins Ducharme Stein Monast and joined Blue Note as Vice President, Legal & Corporate Affairs and Corporate Secretary in October 2007. He is also a director of Forest Gate Resources Inc.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, no recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in MI 52-110, the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries, unless otherwise permitted by MI 52-110.

External Auditor Service Fees

For the financial year ended December 31, 2007 and December 31 2008, Ernst & Young LLP charged the following fees to the Corporation:

<u>Services</u>	<u>2008 Fees (\$)</u>	<u>2007 Fees (\$)</u>
Audit	140,000	100,000
Audit-Related ⁽¹⁾	69,130	137,571
Tax Fees ⁽²⁾	241,000	178,495
All Other Fees ⁽³⁾	Nil	Nil

Notes:

- (1) The aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the 'Audit Fees' Column.
- (2) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice and tax planning.
- (3) The aggregate fees billed for professional services other than those listed in Audit, Audit-Related, and Tax Fees.

PROMOTER

Other than Michael C. Judson, the Corporation's president and chief executive officer, management is not aware of any other person who could be characterized as a promoter of the Corporation. Consideration for Mr. Judson's services as president and chief executive officer is paid as an annual salary and Mr. Judson may receive stock options from time to time at the discretion of the Board. As at the date of this annual information form, Mr. Judson beneficially owned 1,021,310 Common Shares. Mr. Judson's compensation for the last three years is disclosed in the Corporation's management information circular dated April 2, 2008 which can be found on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Fern Trust Litigation

On May 26, 2006, the Fern Trust, through its trustee Merlin Group Securities Limited, both of which are off-shore Guernsey entities, notified Blue Note and others, by letter, of its claim in and to a 10% net profit royalty in and to the Caribou Property (the "10% NPI"). On January 22, 2007, in order to bring clarity to the Fern Trust's claims, Blue Note commenced an application (the "Blue Note Application") in the New Brunswick Court of Queen's Bench (the "Court") seeking advice and direction from the Court as to whether the documents provided by the Fern Trust were sufficient to verify the claim to the 10% NPI. In response, on January 26, 2007, the Fern Trust commenced a separate legal proceeding alleging, among other things, anticipatory breach of the 10% NPI and claiming damages in the amount of \$40,000,000. By order of the Court dated March 27, 2007, the Fern Trust action was ordered consolidated with the Blue Note Application and the Blue Note Application was ordered to be converted to an action. The Fern Trust's claim was pleaded by way of counter-claim in the Blue Note proceeding.

As of March 30, 2007, the Fern Trust advised the Corporation that it had located a signed copy of the 10% NPI in the possession of legal counsel. As of April 17, 2007, legal counsel provided the Corporation with a signed copy of the 10% NPI. As of April 10, 2007, the Fern Trust obtained and registered against the Corporation's real property, mining leases and mineral claims certificates of pending litigation (the "CPLs"). By court order dated April 30, 2007 (the "Order"), the CPLs were vacated on terms requiring the Corporation to advise persons holding or acquiring an interest in the Caribou Property of the existence of the claim of the Fern Trust to the 10% NPI and to provide such persons with a copy of the Order.

As of August 21, 2007, the Fern Trust was granted leave of the Court to add additional defendants to the Fern Trust counterclaim. As of October 15, 2007, the additional defendants, Breakwater Resources Ltd. and Canzinco Ltd., jointly filed a statement of defence to the counterclaim advanced by the Fern Trust, through its trustee Merlin Group Securities Limited. On September 30, 2008, the Court held that the NPI was binding upon the Caribou Property and Blue Note.

On November 5, 2008, Blue Note and BNC appealed the decision of the Court, which granted partial Summary Judgment in favour of Merlin Group Securities Limited, in its capacity as Trustee of the Fern Trust, regarding its claim to the 10% NPI in and to the Caribou Property. Blue Note appealed on the grounds that in finding that the NPI binds the Caribou Property, the Court misinterpreted the NPI document in granting the Fern Trust partial Summary Judgment, the Court misapplied law relating to

Summary Judgment; and that the Court erred in concluding that Blue Note had actual notice of the NPI and its legal effect prior to acquiring the Caribou Property.

On February 25, 2008, the New Brunswick Court of Appeal upheld the decision of the Court granting partial Summary Judgment in favour of Diorite Securities Limited, in its capacity as Trustee of the Term Trust regarding its claim to the 10% NPI in and to the Caribou Mine. The Court upheld the decision that the NPI is binding upon the Caribou Property and Blue Note.

The litigation continues on the issue of whether Blue Note, by questioning the applicability of the NPI upon a subsequent purchaser of the Caribou Property, has repudiated or breached the NPI. As matters now stand, the Fern Trust lawsuit remains in place on these issues and Blue Note continues to vigorously deny the allegations.

It is the Corporation's interpretation that the NPI would not become payable until the entirety of all expenses relating to the Caribou property have been recovered. In addition, it is not possible to estimate at what point, if at all, any NPI could become due and payable. This matter is in some ways affected by the CCAA filing of BNC. However, the outcome is not sufficiently determinable. Accordingly, no amounts related to this contingency have been recognized in the consolidated financial statements as at December, 31 2008.

Breakwater Resources Ltd. Litigation

On or about August 29, 2008, Breakwater Resources Ltd. ("BWR"), gave notice to the Corporation and BNC, that BWR would exercise its right to surrender a certain Unsecured Subordinated Convertible Debenture in the amount of \$15,000,000.00 (the "Debenture"), in exchange for a 20% interest in and to the mining properties owned by BNC (the "Mines").

In the view of BN and BNC, as soon as was practicable following surrender of the Debenture, BNC as owner of the Mines circulated draft documentation to convey the 20% interest in and to the Mines to BWR, together with an executed copy of a Joint Venture Agreement ("JVA") between BWR and BNC, called for upon exercise of the conversion right by BWR.

Following BWR's surrender of the Debenture and conversion of its interest to a property interest in and to the Mines, certain Mechanics' Liens were filed against the Mines, whereby the lien claimants claimed a property interest, which if valid, would encumber the ownership interests of BNC and BWR. In the face of the Mechanics' Liens, BWR refused to execute the transfer documentation to formalize the transfer of the 20% interest to BWR and refused to proceed with the JVA.

Further, BWR brought a legal proceeding in the New Brunswick Court of Queen's Bench against the Corporation and BNC alleging, among other things, breach of the previously surrendered Debenture. The corporation and BNC have vigorously denied the allegations in the law suit brought by BWR and have counter-claimed on the basis that BWR has breached its obligations to accept the 20% interest in and to the Mines and enter into the JVA and assume 20% of the expenses of the Mines.

The Corporation and BNC take the position that the Mechanics' Liens, if valid, encumber the interests of the owners in accordance with their ownership share and that, as the Mechanics' Liens post-date the surrender of the Debenture, their existence does not violate the terms of the Debenture. The litigation remains outstanding but is, in the view of the Corporation and BNC, stayed pursuant to the filing by BNC under the Companies' Creditors Arrangement Act.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last fiscal year, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter or transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation except (a) for the granting from time to time of incentive stock options in accordance with the policies of the TSX and (b) that the Corporation entered into a financial advisor agreement with Northern Securities on November 21, 2008. This agreement was terminated on February 20, 2009. During that period, Mr. Vic Alboini, President and Chief Executive Officer of Northern Financial Corporation, and Mr. Richard Pinkerton, Managing Director and Head of Capital Markets at Northern Securities Inc., were both directors of the Corporation. In the aggregate, Northern securities received \$250,000 for their services as financial advisors.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Ernst & Young, LLP, located at 800 René-Lévesque West Blvd, Suite 1900, Montreal, Quebec H3B 1X9. They are independent in accordance with their rules of professional conduct.

The Corporation's transfer agent and registrar is CIBC Mellon Trust Company, located at 2001 University Street, Suite 1600, Montreal, Quebec H3A 2A6.

The trustee under the Note Indenture is Computershare Trust Company of Canada, located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Blue Note has entered into the following material contracts, which are still in effect:

1. Shareholder rights plan dated January 19, 2006.

INTERESTS OF EXPERTS

No persons and companies have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made by the Corporation under National Instrument 51-102 - *Continuous Disclosure Obligations* during, or relating to, the financial year of the Corporation ended December 31, 2008.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of security holders that involved the election of directors.

Additional financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year.

Schedule “A”

BLUE NOTE MINING INC.

AUDIT COMMITTEE

MANDATE

A. OVERVIEW AND PURPOSE

The Audit Committee is appointed by the Board to assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary responsibilities are to:

1. Monitor the Corporation’s compliance with accounting, stock exchange and securities commission regulations and the integrity of its financial reporting process(es) and system(s) of internal and disclosure controls.
2. Ensure the independence and performance of the external auditors and oversee the development of internal auditing and control policies and capabilities.
3. Review the key risks to the integrity of the Corporation’s financial reporting and management of cash and indebtedness and evaluate the effectiveness of measures taken to manage such risk.

B. MEMBERSHIP AND ATTENDANCE AT MEETINGS

1. The Committee shall be comprised of two independent directors, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.
2. All Committee Members shall be financially literate and at least one of whom shall have accounting or related experience.
3. A majority of committee members will constitute a quorum and decisions will be determined by a (simple) majority of votes cast without the Committee chair having a casting vote in the event of a tied vote.
4. Attendance at all or a portion of Committee meetings is determined by the Committee and would normally include the chief financial officer and the external auditors and on occasion the chief executive officer.
5. The Committee shall meet at least four times annually, or more frequently as circumstances dictate.
6. The Committee chair will ensure that an agenda is prepared in consultation with management and the external auditors in advance of each meeting and that minutes of each meeting are taken and copied to the Committee members, the Board and the chief financial officer.
7. The Committee shall meet privately with the external auditors and management (separately) at least annually.

C. DUTIES AND RESPONSIBILITIES

Financial Reporting

1. Review the interim and annual financial statements and related reports including the management discussion and analysis, news releases, earnings guidance or other disclosures based on the Corporation's financial statements and make recommendations to the Board regarding their approval prior to public disclosure. Such reviews will include:
 - Consideration of the appropriateness of the Corporation's significant accounting policies and principles and any proposed changes to them and make recommendations to the Board regarding their approval. Review annually with management and the external auditors any emerging financial reporting issues and the possible future impact of them on the financial statements.
 - The existence and substance of significant provisions, accruals, management estimates and accounting judgements.
 - Any unusual or extraordinary events that may have a material effect on the financial statements, transactions with related parties and the adequacy of disclosures.
 - Review any ongoing or anticipated litigation, claim or other contingency, including income tax status and related reserves and any qualifications contained in letters of representation.
 - Assurances of compliance with covenants in trust deeds or loan agreements.
 - The evaluation and quantification of the principal business risks, uncertainties, commitments and contingent liabilities, including the Corporation's related policies, control procedures and financing options.
 - The Corporation's financial risk management policies and practices relating to cash and indebtedness, including any off-balance sheet transactions.
 - Explanations for significant financial variances between years.
2. Review the annual information form (AIF), prospectuses, other offering memoranda and any other published document, focusing on any financial information contained in them, and make recommendations to the Board regarding their approval.
3. Satisfy itself of the adequacy of procedures for review of any public disclosure of financial information contained in, extracted or derived from the financial statements, and periodically assess those procedures.
4. Review and discuss with management and the external auditors any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting policies, principles or practices.

External Auditors

The external auditors are accountable to the Audit Committee, acting on behalf of the Board, as representatives of the shareholders. The Audit Committee is responsible for overseeing the external audit process:

1. Review and approve the external audit plan, including its scope, staffing, locations, reliance on management and internal audit work and auditing methods.
2. Monitor the performance of and recommend annually to the Board, including if necessary, the selection of the external auditors to be nominated for appointment at the Annual Meeting of Shareholders.
3. Review and recommend to the Board the basis and amount of external audit fees required to conduct the external audit and provide related services.
4. Review and pre-approve the Corporation's arrangements for and any changes to specific categories of permitted audit-related and non-audit-related services from the external auditors after considering the possible impact of such services on external auditor independence.
5. Review and approve the Corporation's policies regarding the hiring of current and former partners and employees of the Corporation's present and former external auditors.
6. Resolve disagreements between management and the external auditors regarding financial reporting.

Policy, Legal and Security

The Audit committee is also responsible for the following related matters:

1. At least annually and before any significant new financing, assessment of the Corporation's capital structure in terms of its level of indebtedness, debt structure, including covenants, credit availability, duration and key expiry dates
2. Review of the Corporation's insurance policies, including directors' and officers' liability coverage, together with any resulting recommendations to the Board.
3. Review incidents of internal fraud and other illegal acts and monitor the progress of any related investigations.
4. The Audit Committee is responsible for ensuring the establishment and management of a "Whistleblower" Policy for:
 - The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.
 - The confidential, anonymous submission by employees of concerns about questionable accounting or auditing matters.
5. Review the Corporation's Code of Business Conduct and Conflict of Interest Policies and the programme management has established to ensure compliance. Obtain annually from

management a report of declared potential conflicts of interest and review management's actions to ensure that conflicts are satisfactorily resolved on a timely basis.

6. Annually review the directors', officers' and senior executives' expenses, including the use of Corporation assets and any loans made by the Corporation to its directors, officers, employees and consultants, and their compliance with Corporation policies.
7. Review the Corporation's programmes for safeguarding physical assets, intellectual property and management information systems.
8. Following each meeting, the Committee chair will report to the Board on the major discussions and decisions made by the Committee.
9. At least annually, the Committee will review, and amend if required, the Audit Committee Mandate and recommend such changes to the Board for approval.

D. COMMITTEE CHAIR

1. The fundamental responsibility of the Committee chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board.

To that end, the Committee chair's responsibilities shall include:

- (a) working with the chairman of the Board, the chief executive officer and the secretary to establish the frequency of Committee meetings and the agendas for meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
- (e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- (f) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

E. POWERS

1. Audit Committee members and the chair of the Committee shall be appointed by and serve at the pleasure of the Board.
2. The Committee has direct access to any records of the Corporation and its subsidiaries, to any employee of the organisation and the external auditors.
3. The Committee has the authority to initiate and conduct any investigation appropriate to fulfilling its responsibilities and retain independent counsel and other advisors for that purpose.

F. MEETINGS

1. The time and place of the meetings of the Committee, the calling of the meetings and the procedure in all things at such meetings shall be determined by the Committee unless otherwise determined by the by-laws of the Corporation or by resolution of the Board.