

GOLDSTAKE EXPLORATIONS INC.

21 Saddlewood Court
Markham, Ontario
L3R 8S8

INFORMATION CIRCULAR

AS AT MAY 9, 2005

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF GOLDSTAKE EXPLORATIONS INC. (the "Company") of proxies to be used at the Annual and Special Meeting of Shareholders of the Company (the "meeting") to **be held at The National Club, 303 Bay Street, Toronto, Ontario, on Tuesday, the 7th day of June, 2005, at the hour of 4:00 o'clock in the afternoon** (Toronto time), and at any adjournment thereof for the purposes set forth in the enclosed Notice of Meeting. Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this circular, the notice of meeting and form of proxy to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the meeting or any adjournment thereof must, in all cases, deposit the completed proxy with Equity Transfer Services Inc., 120 Adelaide Street West, Suite 420, Toronto, Ontario, M5H 4C3 on or before the close of business of the last day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used, or deliver it to the Chairman of the meeting on the day of the meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the meeting on the day of such meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPOINTMENT OF AUDITORS AND THE**

AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION AND FOR THE ITEM OF SPECIAL BUSINESS, AS STATED ELSEWHERE IN THIS CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE. At the time of printing this circular, the management of the Company knows of no such amendments, variations or other matters to come before the meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

At May 9, 2005 the Company had outstanding 58,798,160 common shares, each of which carries one vote. To the knowledge of the directors and officers of the Company, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying in excess of 10% of the voting rights attached to the outstanding securities of the Company.

Persons registered on the books of the Company at the close of business on April 18, 2005 (the "record date") and persons who are transferees of any shares acquired after such record date and who have produced properly endorsed certificates evidencing such shares or who otherwise establish ownership thereof and demand, not later than 10 days before the annual and special meeting, that their names be included in the list of shareholders, are entitled to vote at the annual and special meeting of the Company.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the meeting. However, in many cases, common shares owned by a person (a "non-registered holder") are registered either (a) in the name of an intermediary (an "Intermediary") that the non-registered holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Policy Statement No. 41 of the Canadian Securities Administrators, the Company has distributed copies of the Management Information Circular, the accompanying Notice of Meeting together with the form of proxy and a supplemental mailing list form (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to non-registered holders of common shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Appointment of Proxies"; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "Voting Instruction Form") which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the

instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the common shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. **Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.**

ELECTION OF DIRECTORS

The board of directors consists of four (4) directors to be elected annually. The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

<u>Name, Province, Country and Office Held</u>	<u>Director Since</u>	<u>Number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised at May 9, 2005 (1)</u>	<u>Present principal occupation or employment and, if applicable, during the five preceding years</u>
Robert B. Cleaver (2) (4) NSW, Australia ◦ Chairman and Director	August 5, 1986	4,211,599	Miner
Peter Froneman (2) (3) (4) Ontario, Canada ◦ Director	June 8, 1992	50,000	President, Kriscan Specialty Products
Charles L. McAlpine (4) Ontario, Canada ◦ Secretary/Treasurer, Director	September 29, 1995	477,500	Business Director
Peter Mills (2) (3) (4) Tortolla, BVI ◦ Director	February 5, 1997	158,000	Business Consultant

Notes:

- (1) *The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective directors individually.*
- (2) *Members of the audit committee who are elected annually by the board of directors.*
- (3) *Members of the compensation committee who are elected annually by the board of directors.*
- (4) *The Company was the subject of a cease trade order for 33 days in 2004 for failure to file annual and quarterly financial statements on time. The cease trade order has been lifted.*

The term of office of each director will be from the date of the meeting at which he is elected until the next annual meeting, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

EXECUTIVE COMPENSATION

Compensation of Officers

The following table discloses the compensation paid by the Company to the Chairman and Chief Executive Officer, and the Secretary Treasurer and CFO in respect of the fiscal years ended December 31, 2004, December 31, 2003 and December 31, 2002. There are no other Named Executive Officers or employees of the Company earning in excess of \$150,000 per year in salary and bonuses.

Summary Compensation Table

NEO Name and Principal Position	ANNUAL COMPENSATION				LONG-TERM COMPENSATION			All Other Compensation (\$)
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$) (4)	Awards		Payouts	
					Securities Under Options/SARs (1) Granted (#)	Shares or Units Subject to Resale Restrictions (\$)	LTIP (2) Payouts (\$)	
Robert Cleaver (3) Chairman and CEO	2004	\$195,254	-	\$27,600	Nil/Nil	-	-	-
	2003	\$210,153	-	\$27,600	1,000,000/Nil	-	-	-
	2002	\$235,550	-	\$38,400	1,175,000/Nil	-	-	-
Charles McAlpine Secretary Treasurer and CFO	2004	-	-	-	Nil/Nil	-	-	-
	2003	-	-	-	600,000/Nil	-	-	-
	2002	-	-	-	700,000/Nil	-	-	-

Notes:

- (1) "SAR" means stock appreciation right.
- (2) "LTIP" means long-term incentive plan.
- (3) Amounts paid or accrued to a company controlled by Mr. Cleaver for consulting services.
- (4) Rental of apartment

Stock Option Plan

On March 4, 1996, a new stock option plan (the "1996 Plan") was adopted by the board of directors of the Company to encourage ownership of common shares by directors, senior officers, employees and consultants of the Company and its subsidiaries. The 1996 Plan was approved by shareholders at a meeting held on March 29, 1996 and amendments to the Plan were approved by shareholders at meetings held on December 9, 1996, June 23, 2000, June 25, 2003 and September 1, 2004.

The maximum number of common shares which may currently be set aside for issue under the Plan is 16,000,000 provided that the board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. The maximum number of common shares which may be reserved for issuance to any one person under the 1996 Plan is 5% of the common shares outstanding at the time of the grant (calculated on a non-diluted basis) less the number of shares reserved for issuance to such person under any option to purchase common shares granted as a compensation or incentive mechanism. Any shares subject to an option which, for any reason, are cancelled or terminated prior to exercise thereof, will be available for grant under the 1996 Plan. The option price of any common shares cannot be less than the closing price of the shares on the stock exchange or other market on which the common shares are listed or quoted on the day immediately preceding the day upon which the option is granted. Options granted under the 1996 Plan may be exercised during a period not exceeding ten years from the date of grant, subject to earlier termination upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries, as applicable, or upon the optionee becoming permanently disabled or upon death of the optionee. The options are non-transferable. As of the date hereof there are options outstanding to purchase 8,475,000 Common shares of the Company. See also the section entitled "Special Business – Stock option Plan Amendment".

Option/SAR Grants During The Most Recently Completed Financial Year

The information below describes each grant of options during the most recently completed financial year ended December 31, 2004 to the Company's Chairman and CEO and the Company's Secretary Treasurer and CFO and the financial year-end value of unexercised options, on an aggregated basis. There are no other Named Executive Officers or employees of the Company earning in excess of \$150,000 per year in salary and bonuses.

Option/SAR Grants During The Most Recently Completed Financial Year

NEO Name	Securities, Under Options/SARs Granted (#)	Per cent of Total Options/SARs Granted To Employees In Financial Year	Exercise Or Base Price (\$/Security)	Market Value Of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Robert Cleaver Chairman and CEO	Nil	Nil	Nil	Nil	N/A
Charles McAlpine Secretary Treasurer and CFO	Nil	Nil	Nil	Nil	N/A

Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

The information below describes each exercise of options during the most recently completed financial year ended December 31, 2004 by the Company's Chairman and CEO and the Company's Treasurer and CFO and the financial year end value of unexercised options, on an aggregated basis. There are no other Named Executive Officers or employees of the Company earning in excess of \$150,000 per year in salary and bonuses.

**Aggregated Option/SAR Exercises During The Most
Recently Completed Financial Year
And Financial Year-End Option/SAR Values**

NEO Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs At FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/ Unexercisable
Robert Cleaver Chairman and CEO	Nil	Nil	Nil/Nil	Nil/Nil
Charles McAlpine Secretary Treasurer and CFO	700,000	82,500	100,000/Nil	Nil/Nil

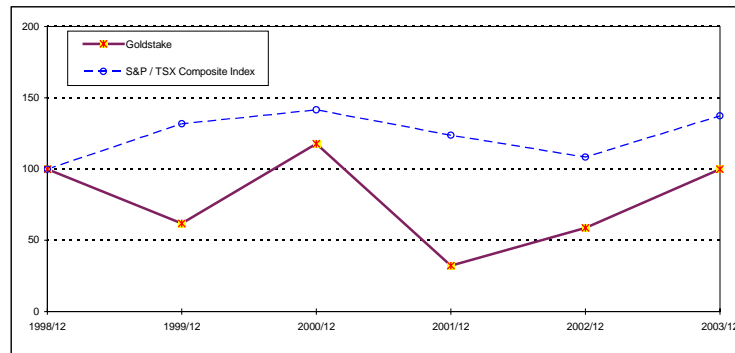
Report on Executive Compensation

The full compensation payment to executives has not been paid for a number of years, however the Company accrues executive compensation on an annual basis which will be paid when finances allow. The Company's executive compensation policy is designed to recognize and reward individual contribution, performance and level of responsibility and ensure that the compensation levels remain competitive with other companies in the same industry. The key components of total compensation are base salary and incentives.

Performance Graph

The following graph shows changes over the past five year period ended December 31, 2004 in the value of \$100 invested in the common shares of the Company and in the S&P/TSX Composite Index. The Company's common shares trade on the Toronto Stock Exchange under the symbol "GXP".

Total Return Index Values



	1998/12	1999/12	2000/12	2001/12	2002/12	2003/12
Goldstake Exploration	100.00	61.76	117.65	32.35	58.82	100.00
S&P / TSX Composite Index	100.00	131.71	141.47	123.69	108.30	137.25

Assuming an investment of \$100 and the reinvestment of dividends

Securities Authorized for Issuance Under Equity Compensation Plans**Equity Compensation Plan Information**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	8,475,000	\$0.102	5,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	8,475,000	\$0.102	5,000

Composition of the Compensation Committee

The composition of the Compensation Committee during the most recently completed financial year ended December 31, 2004 consists of Peter Froneman and Peter Mills both of whom are independent directors and have never been officers or employees of the Company.

Compensation of Directors

Each director of the Company (other than those directors who are also officers of the Company) is entitled to receive an honorarium of \$10,000 per annum and is reimbursed for travel and other out-of-pocket expenses incurred in attending directors' and shareholders' meetings. During the fiscal year ended December 31, 2004, \$20,000 was incurred with respect to directors' fees for 2004, which amount remains unpaid.

Indemnification of Directors and Officers

The Company does not provide separate directors' and officers' insurance for the benefit of its directors and officers against liability incurred by them in these capacities. However, the Company has entered into indemnity agreements with each of its officers and directors. Pursuant to such agreements the Company has agreed to indemnify each such person for all costs, expenses and amounts paid in respect of civil, criminal and administrative proceedings (including, with the approval of the court, proceedings initiated by or on behalf of the Company) to which such person is a party or threatened to be made a party by reason of being or having been a director and/or officer of the Company or by reason of any act or omission of such person in such capacity, provided that such person acted honestly and in good faith with a view to the Company's best interests and, in the case of criminal or administrative actions, such person had reasonable grounds for believing the conduct was lawful.

APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF KPMG LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The 2004 Annual Report, including the financial statements for the fiscal year ended December 31, 2004 and the report of the auditors thereon will be submitted to the meeting of shareholders. Receipt at such meeting of the auditors' report and the Company's financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The By-Laws of the Toronto Stock Exchange require that each listed company disclose on an annual basis its approach to corporate governance with reference to the Guidelines for Improved Corporate Governance contained in the report of the Toronto Stock Exchange Committee on Corporate Governance in Canada (the "TSX Guidelines"). Set out below is a description of the Company's corporate governance practices with reference to the TSX Guidelines.

Guideline 1

The Board of Directors should explicitly assume responsibility for stewardship of the corporation.

Comment:

The mandate of the board of directors of the Company (the "Board of Directors") is to supervise the management of the business and affairs of the Company. The Board of Directors has plenary power (that is, any responsibility which is not delegated to senior management or to Board committees remains with the Board of Directors) and, as part of its overall stewardship responsibility, assumes responsibility of the following matters:

- (a) *adoption of a strategic planning process:* the Board of Directors reviews, on an annual basis, the Company's short-term and long-term goals and the progress made toward the achievement of those goals;
- (b) *the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks:* management of the Company and the Board of Directors assess, on an annual basis, the principal risks facing the Company and review actions taken by management to mitigate those risks;
- (c) *succession planning, including appointing, training and monitoring senior management:* the Board of Directors reviews plans put in place by senior management to ensure adequate succession planning and the uninterrupted continuation of business in the event of any change in senior management;
- (d) *a communication policy for the Company:* the Board of Directors has implemented a strict communication policy permitting only employees authorized by the Board of Directors or senior management to communicate with third parties on behalf of the Company; and
- (e) *the integrity of the Company's internal control and management information systems:* the audit committee of the Board of Directors reviews the Company's internal controls and the integrity of the Company's management information systems on an annual basis.

Generally, the Board of Directors meets a minimum of three times each year. In addition, the Board of Directors meets at other times when matters requiring its approval are raised.

Guidelines 2 and 3

A majority of the directors should be "unrelated" directors.

Comment:

The TSX Guidelines define an "unrelated director" as a director who is independent of management and free from any business or other relationship which could, or could be reasonably perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholdings.

The Board of Directors currently consists of four individuals, two of whom are senior officers of the Company and two of whom are outside directors whom the Board of Directors has determined are "unrelated directors", within the meaning of the TSX Guidelines. At its present stage of development, the Company relies heavily on the entrepreneurial abilities and industry experience of its senior management and, in light of this, the Board of Directors considers that currently it is both appropriate and in the Company's best interest for the two members of senior management to serve as directors.

Guideline 4

The Board of Directors should appoint a nominating committee composed exclusively of outside directors with responsibility for proposing new nominees to the Board and assessing directors on an ongoing basis.

Comment:

The Board of Directors has no formal nominating committee. When directors are being considered for addition to the Board of Directors, the full Board generally acts as an *ad hoc* nominating committee.

Guideline 5

The Board of Directors should implement a process for assessing the effectiveness of the Board as a whole, its committees and the contribution of individual directors.

Comment:

The Board of Directors reviews, on an ongoing basis, the effectiveness of the Board as a whole and the Audit Committee and the contribution and effectiveness of individual directors.

Guideline 6

The Company should provide an education and orientation program for new members of the Board of Directors.

Comment:

The Company currently has an informal orientation and education program for new Board members in order to ensure that new directors are familiarized with the Company's business and the procedures of the Board of Directors.

Guideline 7

The Board of Directors should examine its size to ensure that it facilitates effective decision making.

Comment:

The Board of Directors reviews its size and composition on an ongoing basis to ensure its effectiveness. The Board of Directors believes its present size and composition facilitates effective decision making.

Guideline 8

The Board should review the adequacy and form of compensation of directors to ensure that it reflects the responsibilities and risks involved.

Comment:

The Board of Directors reviews directors' compensation on an ongoing basis to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

Guideline 9

Committees of the Board of Directors should be composed of outside directors, a majority of whom are unrelated.

Comment:

The Board of Directors currently has two subcommittees: the Audit Committee and the Compensation Committee.

The Audit Committee is composed of a majority of outside and unrelated directors. See commentary under "Guideline 13" for further details.

The Compensation Committee is composed entirely of outside and unrelated directors.

Guideline 10

The Board of Directors should assume responsibility for corporate governance issues.

Comment:

The Board of Directors specifically assumes responsibility for development of the Company's policies with respect to corporate governance issues. The Board of Directors attempts, so far as is practical given the nature of the Company's business and the Company's resources, to adhere to the TSX Guidelines.

Guideline 11

The Board of Directors and the Chief Executive Officer together should develop position descriptions for the Board of Directors and the Chief Executive Officer, involving the definition of the limits to management's responsibilities. In addition, the Board of Directors should approve or develop with the Chief Executive Officer, the Chief Executive Officer's objectives.

Comment:

The Board of Directors responds to and, if it considers appropriate, approves, with such revisions as it may require, corporate objectives and recommended courses of action which have been brought forward by the Chief Executive Officer and management. In addition to those matters which must be approved by the Board of Directors by law, significant business activities and actions proposed to be taken by the Company are subject to Board approval.

In addition, the Board of Directors is responsible for overseeing the strategic direction of the Company, monitoring the performance of the Company's assets and assessing opportunities for and risks affecting the Company's business and assessing means to effectively deal with the same.

Guideline 12

The Board of Directors should have appropriate structures and procedures to ensure that it can function independently of management.

Comment:

In order to ensure that the Board of Directors can function independently of management, the unrelated directors will, in appropriate circumstances, meet separately from the related directors as an *ad hoc* subcommittee of the Board of Directors. The Board of Directors reviews its procedures on an ongoing basis to ensure that it can function independently of management.

Guideline 13

The Board of Directors should establish an Audit Committee, comprising all non-management directors, with a specifically defined mandate. The Audit Committee should have direct communication channels with external auditors.

Comment:

The Audit Committee of the Board of Directors is currently composed of a majority of outside directors. The Chief Executive Officer of the Company serves on the Audit Committee. The Audit Committee has direct communication channels with internal personnel responsible for financial statement preparation and with the Company's external auditors. The Audit Committee monitors audit functions and the preparation of financial statements and meets with outside auditors. While the Audit Committee is currently not composed entirely of unrelated directors, the Board of Directors believes that the committee functions independently by virtue of its majority of unrelated directors.

Guideline 14

The Board of Directors should enable directors to engage outside advisors at the Company's expense, when appropriate, subject to the approval of a committee of the Board of Directors.

Comment:

Individual directors may, in appropriate circumstances, engage an outside advisor at the expense of the Company, subject to the approval of the Board of Directors.

SPECIAL BUSINESS

Stock Option Plan Amendment

Shareholders are being asked to consider, and if thought appropriate, approve an increase in the maximum number of common shares which may be set aside for issuance under the Company's current stock option plan from 16,000,000 to 25,000,000 common shares.

As disclosed under "Executive Compensation – Stock Option Plan", on March 4, 1996 a stock option plan was implemented (the "1996 Plan") for the Company to encourage ownership of the common shares of the Company by directors, officers, employees and consultants (eligible participants) of the Company and its subsidiaries. This stock option plan was approved by the shareholders at the special meeting held on March 29, 1996 and 1,500,000 common shares were authorized for issuance. Under the terms of the 1996 Plan the board of directors has the right, from time to time, to increase the maximum number of common shares which may be set aside for issuance under the 1996 Plan, subject to the approval of the shareholders of the Company. In view of various factors, including the fact that when stock options are exercised the number of shares reserved for issuance will be reduced by that number and recent increases in the number of issued and outstanding common shares of the Company, the board of directors has determined it is desirable to increase the maximum number of shares available under the 1996 Plan to 25,000,000.

In considering the proposed amendment, management also considered the number of common shares presently reserved for issuance in connection with previously granted options and the Company's outstanding capital. Presently, a total of 8,480,000 common shares (14.4% of currently issued and outstanding common shares) have been reserved for issuance in connection with the stock options granted under the 1996 Plan, 8,475,000 (14.4% of currently issued and outstanding common shares) of which remain outstanding and unexercised.

There is no maximum percentage of shares, proposed to be available for issuance in connection with stock options, available to insiders of the Company. The maximum number of shares which may be reserved for issuance to any one person under the 1996 Plan is 5% of the shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of shares reserved for issuance to such person under any other option to purchase shares.

The exercise price of any shares in respect of which an option may be granted shall be fixed by the Board of Directors (the "Board") but shall not be less than the closing price as reported by the TSX on the day immediately preceding the day upon which the option is granted. In the resolution allocating any option, the Board may determine that (i) the date of grant of the option shall be a future date determined in the manner specified in such resolution, in which case the option price shall be deemed to be the weighted average trading price of the shares as reported by the TSX for the five trading days preceding the date of the grant and (ii) the date or the dates of the vesting of the option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the option price per share may escalate at a specified rate dependent upon the date on which any option may be exercised by the participant.

The 1996 Plan has provisions for stock options, an employee stock purchase plan and other compensation or incentive mechanism involving the issuance or potential issuance of shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise. At this time the Company only has stock options granted and available. Vesting of stock options is immediate upon granting. Options may be granted exercisable over a period not exceeding ten years. Current options were granted for a period of less than four years.

Any option granted, to the extent not validly exercised, will terminate on the earlier of the following dates: (i) the date of expiration specified in the option agreement; (ii) ninety days after the eligible participant ceases to be such, other than by reason of retirement, permanent disability or death. This provision will apply regardless of whether the participant was dismissed with or without cause; (iii) one hundred and

eighty days after the death of the participant during which period the option may be exercised by the participant's legal representative or the person or persons to whom the deceased participant's rights pass by will or the applicable laws of descent and distribution, and only to the extent the participant would have been entitled to exercise the option on the date of death; and (iv) ninety days after termination of the participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety day period the participant may exercise the option to the extent he/she was entitled to exercise it at such termination, provided that if the participant shall die within such ninety day period, then such right shall be extended to ninety days following the date of death of the participant.

No option shall be transferable or assignable by the participant other than by will or the laws of descent and distribution and such option shall be exercisable during his/her lifetime only by the participant.

Subject in all cases to the approval of the TSX and regulatory authorities having jurisdiction over the affairs of the Company, the Board may from time to time amend or revise the terms of the 1996 Plan (or any option granted thereunder) or may terminate the 1996 Plan (or any option granted thereunder) at any time provided however that no such action shall, without consent of the participant, in any manner adversely affect a participant's rights under any option theretofore granted under the 1996 Plan.

No financial assistance has been provided by the Company to participants in earlier options granted and none is contemplated for future grants. There are no entitlements under each arrangement previously granted subject to ratification by security holders.

On September 1, 2004, at the Annual and General Meeting of Shareholders, shareholder approval (excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment) was obtained for an amendment to the 1996 Plan to provide for an increase in the maximum number of common shares which may be set aside for issuance under the Company's 1996 Plan from 11,000,000 to 16,000,000 shares.

On January 14, 2005, options to purchase 7,675,000 (13.0% of the then issued and outstanding common shares) common shares of the Company were granted to eleven eligible participants, vesting immediately, at an exercise price of \$0.10 per share (the prior day's closing price was \$0.085 per share), expiring January 31, 2008. At that time there were outstanding options to five eligible participants to purchase 800,000 (1.4% of the then issued and outstanding common shares) common shares of the Company issued on July 28, 2003, vesting immediately, at an exercise price of \$0.125 per share (the prior day's closing price was \$0.125 per share), expiring December 31, 2006.

There are currently 58,798,160 common shares of the Company outstanding. Thus the maximum number of shares proposed to be available for issuance in connection with stock options, namely 25,000,000, represents 42.5% of the currently issued and outstanding common shares of the Company on a non-diluted basis and 38.8% of the currently issued and outstanding common shares of the Company on a fully diluted basis (excluding any shares which may be issued pursuant to stock options), in each case prior to any future acquisitions or financings, which may be completed by the Company.

In accordance with the requirements of the Toronto Stock Exchange, disinterested shareholders must approve the proposed increase in the number of common shares which may be issued pursuant to the amendment to the 1996 Plan (the "Amended Plan"), such approval being required by a majority of the votes cast at the meeting other than votes attaching to securities beneficially owned, or over which control or direction is exercised by, any insiders (or their associates) to whom shares may be issued pursuant to the Amended Plan. To the knowledge of management, the number of votes attaching to all voting securities of the Company that will not be counted for the purposes of determining whether or not the required level of shareholder approval of the adoption of the Amended Plan has been obtained is 4,897,099 common shares.

The shareholders will be requested to pass the following resolution:

“**RESOLVED** that the Company be authorized to amend the Company’s Stock Option Plan to increase the maximum number of common shares of the Company which may be reserved for issuance in connection with the Company’s Stock Option Plan from 16,000,000 to 25,000,000 common shares.”

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE INCREASE IN THE MAXIMUM NUMBER OF COMMON SHARES WHICH MAY BE ISSUED UNDER THE 1996 STOCK OPTION PLAN, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given, the 1996 Plan will remain in full force and effect and the maximum number of common shares issuable thereunder will be 16,000,000.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, except as disclosed in this Information Circular.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is or, at any time during the most recently completed financial year was, a director, executive officer or senior officer of the Company, and no person who is a proposed nominee for election as a director of the Company, and no associate of any of the foregoing is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company’s last completed fiscal year or in any proposed transaction which, in either case, has materially affected or will materially affect the Company.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the meeting of shareholders other than as set forth in the notice of meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the internet at www.SEDAR.com. Financial information relating to the Company is provided in the Company’s comparative financial statements and Management Discussion and Analysis (MD&A) for the year ended December 31, 2004. To request copies of the Company’s financial statements and related MD&A, please contact the Company at:

Goldstake Explorations Inc.
21 Saddlewood Court
Markham, Ontario L3R 8S8
(905) 415-1224

GENERAL

Except where otherwise indicated, information contained herein is given as of May 9, 2005.

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED this 9th day of May, 2005.

"C. L. McAlpine"

Charles L. McAlpine
Secretary/Treasurer