



NICO MINING LIMITED

Management Information Circular for Annual & Special Meeting of Shareholders September 29, 2009

PROXIES

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with solicitation by management of NiCo Mining Limited (the "Corporation") of proxies to be used at the Corporation's annual and special meeting of the holders ("Shareholders") of common shares (the "Shares") to be held on September 29, 2009 (the "Meeting") or at any adjournment thereof. It is anticipated that the solicitations will be made primarily by mail, but proxies may also be solicited personally by directors, officers or employees of the Corporation at nominal cost. The cost of the solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The person(s) designated by management of The Corporation in the enclosed form of proxy are directors or officers of the Corporation. **Each Shareholder has the right to appoint as proxyholder a person (who need not be a Shareholder of the Corporation) other than the person(s) named in the enclosed form of proxy to attend and act on the Shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to Equity Transfer & Trust Company, Proxy Department, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, Canada, fax number (416) 361-0470 or to the Secretary of the Corporation at the Corporation's head office at 2 Bloor Street West, Suite 1803, Toronto, Ontario M4W 3E2, Phone: (416) 637-2080, facsimile: (416) 637-2081. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Equity Transfer & Trust Company or the Secretary of the Corporation not later than 48 hours, excluding Saturdays, Sundays and holidays preceding the time appointed for the Meeting or any adjournment thereof.

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Shareholder or by the Shareholder's attorney, who is authorized in writing, to or at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the ballot, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

In the absence of any direction in the instrument of proxy, such Shares will be voted in favour of the matters set forth in the Notice of the Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. Management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Non-Registered Holders

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

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

- (a) Be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not 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 submit a proxy should otherwise properly complete the form of proxy and deposit it with the Corporation’s transfer agent as provided above; or
- (b) More typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes,

instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by 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 proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

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

Only registered Shareholders have the right to revoke a proxy. A Non-Registered Holder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

VOTING SHARES

Voting Shares

As at the close of business on August 24, 2009, the Corporation had 8,898,100 Shares outstanding, each carrying the right to one vote per Share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Record Date

The board of directors has fixed August 24, 2009 (the "**Record Date**") as the record date for the purpose of determining holders of Shares entitled to receive notice of and to vote at the Meeting. Any holder of Shares of record at the close of business on the Record Date is entitled to vote the Shares registered in such Shareholder's name at that date on each matter to be acted upon at the Meeting, except to the extent that such Shareholder has subsequently transferred any of such Shares, and the transferee of those Shares establishes such Shareholder's ownership of such Shares and demands, not later than 10 days before the Meeting date specified in the accompanying Notice of Meeting, that such Shareholder's name be included in the list of Shareholders prepared for the Meeting. In such case, the transferee is entitled to vote such Shares on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, except as shown below, no person beneficially owned, controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Shares.

Name	Aggregate Number of Shares	Percentage of Outstanding Shares
Zobec Trust Company Limited in trust for the Goldstrike Trust ⁽¹⁾	2,125,000	23.88%

(1) Anthony Frizelle and members of his family are beneficiaries of the Goldstrike Trust which is a discretionary trust.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors has fixed the number of directors to be elected at the Meeting at four. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or the person's associates or affiliates as at the Record Date. The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually. Except as indicated below, each of the proposed nominees has held the principal occupation shown beside the nominee's name in the table below or another executive office with the same or a related company, for the last five years except as noted.

Name and Jurisdiction of Residence	Principal Occupation	Position with Company	Director Since	No. of Common Shares Beneficially Owned
Anthony D. Frizelle London, UK	Managing Director, Resource Management and Finance Co. Ltd. ⁽¹⁾	Chairman, CEO & Director	March, 2008	188,000 ⁽¹⁾
Peter C. Jones Toronto, Ontario	Management Consultant and Company Director	Director	August, 2009	Nil
Dr. K. Sethu Raman Toronto, Ontario	Independent Mining Consultant	Director	August, 2009	Nil
R. A. Bondy Toronto, Ontario	Consultant	Secretary & Director	March, 2008	75,100

(1) In addition, Mr. Frizelle and members of his family are beneficiaries of the Goldstrike Trust which is a discretionary trust that beneficially owns 2,125,000 Shares. See "Voting Shares - Principal Holders".

Peter Jones has more than 38 years of experience in the mining industry and has held senior international operating and executive positions in open-pit and underground mines producing asbestos, gold, zinc, nickel, copper and other base metals. He has been a partner of Setter Group since 2007. Mr. Jones served as President and Chief Operating Officer of Inco Limited from April 2001 to November 2006. He served as Executive Vice President of Operations of Inco Limited from April 1998 to April 2001 and its Executive Vice President of Technology and Project Development from January 1997 to April 1998. Mr. Jones is a director of Century Aluminum Co., Mizuho Corporate Bank (Canada), Iamgold Corp., Royal Nickel Corp. and Lakota Resources Inc.

Dr. K. Sethu Raman is a professional geologist with over 40 years of international experience in all phases of exploration, mine development, acquisition and operations including financial and legal areas. He has held senior executive positions in several public mining companies. He spent 13 years with

Campbell Chibougamau Mines, Campbell Resources and Royex Gold Group of companies (now Barrick Gold) in various management positions including Vice President (1980-86) where he played a key role in gold discovery and development in six operating gold mines and major acquisitions including Hemlo Gold Mine and Nickel Plate Gold Mine. From 1986 to 2004, Dr. Raman was President and CEO of Holmer Gold Mines Limited which discovered and developed the Timmins Gold deposit in Ontario and Loma Hierro silver deposit in Cuba. He negotiated a business combination with Lake Shore Gold Corp to bring the Timmins deposit to production. Dr. Raman holds a PhD (1970) in geology from Carleton University, Ottawa and UNESCO Post-Graduate Diploma (1965) from University of Vienna, Austria. Dr. Raman is a director and significant shareholder of Lake Shore Gold Corp. and Altai Resources Inc.

Except as shown below, no director or proposed director of the Corporation is, as at the date of this Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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 of that individual.

Peter Jones is a director of Lakota Resources Inc. which is subject to a cease trade order issued by the Ontario Securities Commission for failure to file financial statements and has filed for bankruptcy. Dr. Sethu Raman was a director of Visa Gold Explorations Inc., a TSX listed company, from October 2000 to June 2003. Visa Gold was halted trading in June 2002 for failure to file financial statements for the period ending December 2002. On June 20, 2003, Dr. Raman resigned as director. On January 13, 2004, BC Securities Commission issued a Cease Trade order.

No director or proposed director of the Corporation has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets.

No director or proposed director of the Corporation is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity.

Appointment of Auditors

The board of directors proposes to appoint Deloitte & Touche LLP as auditors of the Corporation at remuneration to be fixed by the board of directors. Deloitte & Touche LLP were appointed as auditors of the Corporation in June 2008.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the appointment of Deloitte & Touche LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a

successor is appointed and authorizing the board of directors to fix the remuneration of the auditors.

Stock Option Plan

Shareholders are being asked to pass the following resolution approving the stock option plan of the Corporation (the “**Stock Option Plan**”) which was adopted by the Corporation on April 13, 2006. In order to be effective, the resolution must be passed by a majority of the votes of shareholders voting on it at the meeting.

The policies of the TSX Venture Exchange require that a “rolling” stock option plan, such as that of the Corporation, be approved by shareholders yearly at the annual general meeting of shareholders.

Under the Stock Option Plan, the board of directors of the Corporation may, from time to time in its discretion, grant non-transferable options (“**Options**”) to acquire Shares to directors, officers, employees and consultants of the Corporation. The aggregate number of Shares reserved for issuance upon the exercise of Options is a rolling maximum of 10% of the issued and outstanding Shares from time to time

The maximum number of Shares which may be reserved for issuance pursuant to Options granted to: (a) any insider and such insider’s associates may not, within a 12 month period, exceed 2% of the issued and outstanding Shares; (b) any one consultant in a 12 month period may not exceed 2% of the issued and outstanding Shares immediately prior to the grant of such Option; (c) any one participant may not exceed 5% of the issued Shares immediately prior to the grant of such Option; (d) all employees employed in investor relations activities in a one year period may not exceed 2% of the issued and outstanding Shares immediately prior to such grant.

In addition, the Corporation may not grant Options to acquire more than 5% of the number of issued Shares to any one individual in any 12 month period unless the Corporation has obtained disinterested shareholder approval in a manner permitted by the TSX Venture Exchange (the “**TSXV**”). Also, the number of Shares issuable to insiders pursuant to Options granted under the Stock Option Plan may not: (i) exceed 10% of the number of issued Shares immediately prior to the grant of any such Option; or (ii) result in the issuance to insiders, within a 12 month period, of in excess of 10% of the number of Shares outstanding immediately prior to the grant of any such Option.

The exercise price per Share (the “**Exercise Price**”) of each Option is determined by the board of directors at the time the Option is granted. The Exercise Price may not be less than the closing market price for the Shares on the TSXV on the trading day immediately preceding the date the Option is approved by the board of directors. In the event the Shares are not listed on the TSXV, the Exercise Price shall be the fair market value of the Shares at the time of grant, as determined by the board of directors or committee.

Options may be granted for a term not exceeding five years from the date of grant (the “**Option Period**”). The vesting period of Options is determined by the board of directors. If, prior to the exercise of a Option the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiaries, the Option of the holder shall be limited to the number of Shares purchasable by such person immediately prior to the time of such person’s cessation of office or employment and such person will have no right to purchase any other Shares.

The board of directors may amend, modify or terminate the Option Plan at any time at their discretion. However, any amendment of the Option Plan which would: (i) materially increase the benefits of the Option Plan; (ii) materially increase the number of Shares which may be issued under the Option Plan; or (iii) materially modify the requirements as to the eligibility for participation in the Option Plan, will be effective only upon the approval of shareholders of the Corporation and will also be subject to any

necessary approvals by the TSXV or regulatory body having jurisdiction over the securities of the Corporation.

A participant's Options terminate 90 days after the participant ceases to be a director, officer, employee or consultant of the Corporation or a related entity, provided that, in the event of the death of a participant, Options granted to the participant will terminate 12 months thereafter provided in no event will such right extend beyond the Option Period and provided further if a participant does not continue as a director, officer, consultant or employee of the Corporation following a Qualifying Transaction, as defined in the policies of the TSXV, Options may be exercised no later than the later of 12 months after such completion and 90 days after such person ceases to be a director, officer, consultant or employee of the Corporation.

In accordance with the policies of the TSXV, a rolling plan reserving a maximum of 10% of the number of issued Shares of the Corporation at the time of any grant of Options must be confirmed by shareholders at each annual general meeting.

As of the Record Date, the board of directors of the Corporation had granted 820,000 Options to current and former directors, officers, employees and consultants, as follows:

Number of Options	Exercise Price	Date of Grant	Expiry Date
125,000	\$0.75	Aug. 30, 2007	Aug. 30, 2010
655,000	\$1.00	Dec. 21, 2007	Dec. 21, 2012
35,000	\$0.75	May 28, 2008	May 28, 2011
5,000	\$0.75	August 14, 2008	August 14, 2011

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The objective of the Corporation's compensation strategy is to attract and retain qualified and experienced executives necessary for its long term success. The compensation program is designed to provide suitable compensation for executives that is competitive and reflects individual achievement while recognizing the financial constraints of the Corporation's financial situation.

Compensation for the Named Executive Officers is based upon a negotiated base salary, with stock options and bonus potentially being issued and paid as an incentive for performance. The amount of, and the elements making up, a Named Executive's compensation are determined by the Board of Directors of the Corporation who relies on recommendations provided to it by the Compensation Committee.

As a result of a reduction in operations of the Corporation and in order to reduce costs, the employment of the two most highly paid Named Executive Officers has been terminated, one as of December 31, 2008 and the other as of March 31, 2009. During 2009 the Corporation will be monitoring the level of compensation paid to executives to ensure that it is commensurate with the anticipated level of activity.

Base Salary

The objective of the base salary component of executive compensation is to provide a fixed level of cash compensation to executives for performing their ongoing responsibilities. The base salary is

designed to reward executives for providing the services within their respective job descriptions. The Corporation strives to provide base compensation that is generally competitive with compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size.

Bonus

Where appropriate, agreements with key operating executives contain a provision for the payment of a discretionary bonus which is determined by the Board based upon defined performance criteria. During the fiscal year ended December 31, 2008, the Corporation paid a bonus of US\$60,000 to John Lauderdale, Vice President, Project Development in recognition of the services rendered by him in overseeing the Corporation's operations in the Republic of Cameroon.

Stock Options

Executive officers are eligible to receive options to acquire Common Shares of the Corporation under the Stock Option Plan. The issue of Options is considered an important long-term incentive as it aligns executives' interests with those of shareholders and provides executives with an important sense of ownership. By using vesting periods for Option when issuing options, the Corporation is able to support long-term retention of valuable employees.

Executive officers are eligible for option grants at the time of employment and thereafter as determined by the Board. The Compensation Committee recommends issue of Options to all executive officers. Factors considered in determining option grants include the experience, responsibilities and performance of the executive. The Board of Directors approves the granting of Options based on the recommendation of the Compensation Committee. Previous grants of Options are taken into account when considering new option grants to executive officers.

See "*Stock Option Plan*" for a description of the Corporation's Stock Option Plan.

Summary Compensation Table

The following table contains information about the compensation paid to, or earned during the three most recently completed financial years by, persons acting in the positions of Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers of the Corporation who earned more than \$150,000 in total compensation for the year ended December 31, 2008 (the "**Named Executive Officers**").

Name and Principal Position	Year ended Dec. 31	Salary (\$)	Option-based Awards (\$)⁽³⁾	All Other Compensation (\$)	Total Compensation (\$)
Anthony D. Frizelle, Chairman & CEO ^{(1) (2)}	2008	73,649 ⁽⁴⁾	61,600	Nil	135,249
Richard Giel, CFO ⁽¹⁾	2008	80,107	30,800	Nil	110,907
George Mihaletto, Chief Operating Officer ^{(1) (2)}	2008	131,672 ⁽⁴⁾	61,600	Nil	193,272
John N. Lauderdale, VP Project Development ^{(1) (2)}	2008	145,295 ⁽⁴⁾	41,067	64,915 ⁽⁴⁾	251,277

Name and Principal Position	Year ended Dec. 31	Salary (\$)	Option-based Awards (\$) ⁽³⁾	All Other Compensation (\$)	Total Compensation (\$)
Barry J. Paulson, Former CEO ⁽¹⁾	2008	Nil	Nil	Nil	Nil
	2007	Nil	Nil	Nil	Nil
	2006	Nil	4,505	Nil	4,505
Charles J. Lilly, Former CFO ⁽¹⁾	2008	Nil	Nil	Nil	Nil
	2007	Nil	Nil	Nil	Nil
	2006	Nil	4,505	Nil	4,505

- (1) The Corporation completed a reverse take-over transaction with NiCo Mining Corp. in March, 2008 at which time Messrs. Frizelle, Giel, Mihaletto and Lauderdale became officers, and Messrs. Paulson and Lilly ceased to be officers, of the Corporation.
- (2) The services of Messrs. Frizelle, Mihaletto and Lauderdale were provided to the Corporation pursuant to separate consulting agreements with companies that have agreed to provide the services of the executives. The compensation shown was paid to the executive's consulting company.
- (3) The amounts reflect the fair value of newly issued options; both vested and unvested, issued March 12, 2008 upon completion of the reverse takeover to replace options previously issued by the predecessor companies. When the Corporation issues options, it accounts for them using the fair value method for stock-based compensation as recommended by the Canadian Institute of Chartered Accountants Handbook, Section 3870. The fair value of Options is determined by using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Corporation's common shares and expected life of the options. See Note 2 and 9 to the *Consolidated Financial Statements of the Corporation for the Financial Periods Ending December 31, 2008 and 2007*.
- (4) Canadian equivalent of US\$ converted at the exchange rates at the date of payment.

Option-Based Award

See "Matters to be Acted Upon at the Meeting - Stock Option Plan" for a description of the Corporation's Stock Option Plan and "Compensation Discussion and Analysis" for a description of the process the Corporation uses to grant option-based awards.

Outstanding Option-Based Awards

The following table provides information for each Named Executive Officer for all awards outstanding at December 31, 2008. This includes awards granted before the most recently completed financial year.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)
Anthony Frizelle, Chairman & CEO	150,000	1.00	12/21/2012	Nil
Richard Giel, CFO	75,000	1.00	12/21/2012	Nil
George Mihaletto Chief Operating Officer	150,000	1.00	12/21/2012	Nil
John N. Lauderdale, VP Project Development	100,000	1.00	12/21/2012	Nil

- (1) The value shown for unexercised in-the-money stock options is calculated based on a price of \$0.36 per share, the closing price of a Common Share on the TSXV on the last day of the year ended December 31, 2008 on which the Common Shares were traded on the TSXV, less the respective exercise prices of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information for each Named Executive Officer for the year ended December 31, 2008.

Name	Option-based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Anthony Frizelle, Chairman & CEO	Nil	Nil
Richard Giel, CFO	Nil	Nil
George Mihaletto Chief Operating Officer	Nil	Nil
John N. Lauderdale, VP Project Development	Nil	64,915

- (1) Calculated using the closing market price per common shares on the TSXV on the applicable vesting date less the respective Exercise Prices of the Options.

Narrative Discussion

A description of the Corporation's Stock Option Plan is set out above under the heading "Matters to be Acted Upon at the Meeting - Stock Option Plan".

Termination of Employment and Change of Control Benefits

The Corporation has no plan, contract or arrangement that provides for payment to a Named Executive Officer at, or following, or in connection with a termination (whether voluntary, involuntary, or constructive), resignation, retirement or other termination of the Named Executive Officer's employment with the Corporation, a change of control of the Corporation, or a change in responsibilities of the Named Executive Officer following a change in control.

COMPENSATION OF DIRECTORS

Summary Compensation Table

The following table provides information with respect to compensation provided to directors of the Corporation for the fiscal year ended December 31, 2008.

Name	Fees Earned (\$)	Option-based Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total (\$)
Laurie Mutch ⁽²⁾	3,000	89,175	40,151	132,326
Philip Martin	9,000	49,280	Nil	58,280
Stephen Haggerty	9,000	49,280	Nil	58,280

- (1) The amounts reflect the fair value of newly issued options, both vested and unvested, issued March 12, 2008 upon completion of the reverse takeover to replace options previously issued by the predecessor companies.

When the Corporation issues options, it accounts for them using the fair value method for stock-based compensation as recommended by the Canadian Institute of Chartered Accountants Handbook, Section 3870. The fair value of Options is determined by using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Corporation's common shares and expected life of the options. See Note 2 and 9 to the *Consolidated Financial Statements of the Corporation for the Financial Periods Ending December 31, 2008 and 2007*.

- (2) Mr. Mutch acted as an officer of the Corporation prior to September 10, 2008. The amounts shown as option-based awards and all other compensation represent compensation for services rendered by Mr. Mutch as an officer of the Corporation.

Narrative Discussion

Directors who are not officers of the Corporation receive directors' fees in an amount of \$3,000 per quarter. Mr. Mutch ceased to be an officer of the Corporation in September 2008, but remained as a director and received directors' compensation for the final quarter of the 2008 financial year.

Messrs. Frizelle and Bondy, as members of management of the Corporation, do not receive compensation in acting as directors of the Corporation.

Outstanding Option-Based Awards

The following table provides information for each director for all awards outstanding at December 31, 2008. This includes awards granted before the year ended December 31, 2008.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)
Anthony Frizelle	150,000	1.00	12/21/2012	Nil
Laurie Mutch	75,000 150,000	0.75 1.00	8/30/2010 12/21/2012	Nil Nil
R. A. Bondy	50,000	0.75	8/30/2010	Nil
Philip Martin	120,000	1.00	12/21/2012	Nil
Stephen Haggerty	120,000	1.00	12/21/2012	Nil

- (1) The value shown for unexercised in-the-money stock options is calculated based on a price of \$0.36 per share, the closing price of a Common Share on the TSXV on the last day of the year ended December 31, 2008 on which the Common Shares were traded on the TSXV, less the respective Exercise Prices of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information for each director for the year ended December 31, 2008.

Name	Option-based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Anthony Frizelle	Nil	Nil
Laurie Mutch	Nil	Nil
R. A. Bondy	Nil	Nil
Philip Martin	Nil	Nil
Stephen Haggerty	Nil	Nil

- (1) Calculated using the closing market price per common shares on the TSXV on the applicable vesting date less the respective Exercise Prices of the Options.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$2,000,000, subject to \$25,000 payable by the Corporation. The premium paid by the Corporation for this coverage was \$10,276.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, significant shareholder (or director or executive officer thereof), or proposed nominee for election as a director of the Corporation, or any associate or affiliate thereof, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

The Corporation entered into a subscription agreement (the "**Subscription Agreement**") with View 22 Technology Inc. ("**View22**") providing for the purchase of up to \$3,000,000 principal amount of 12% secured debentures (the "**Secured Debentures**") of View22. Secured Debentures in the principal amount of \$1,000,000 were purchased upon execution of the Subscription Agreement. Subject to satisfaction of certain performance milestones and other conditions provided for in the Subscription Agreement, the remaining Secured Debentures are to be purchased in two tranches of \$1,000,000 each on or before October 31, 2010.

The Secured Debentures (i) bear interest at the rate of 12% per annum on the principal outstanding payable quarterly; (ii) be repayable at any time but no later than 24 months from their respective dates of issue; and (iii) be secured by a first fixed and floating charge on all of the assets and undertaking of View22.

As part of the transaction, the Corporation received 600,000 common shares of View22 (the "**Bonus Shares**"), of which 300,000 Bonus Shares have been deposited in escrow. The escrowed Bonus Shares will be released to The Corporation as to 200,000 shares on, and conditional upon, closing of the second tranche and the remaining 100,000 shares on, and conditional upon, closing of the final tranche of Secured Debentures.

Anthony Frizelle and R.A. Bondy, both directors and officers of the Corporation, separately own or control, directly or indirectly, less than 1% of the voting shares of View22 in the aggregate. In particular, Mr. Frizelle and members of his family are beneficiaries of a discretionary trust that own a total of 121,400 common shares of View22, and Mr. Bondy owns 31,800 common shares of View22. As of the date hereof, there are 19,064,675 common shares of View22 issued and outstanding.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans of the Corporation as at December 31, 2008.

Plan Category	Number of Securities to Be Issued upon Exercise of Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Securityholders	1,385,000	\$0.945	704,810

Plan Category	Number of Securities to Be Issued upon Exercise of Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Not Approved by Securityholders	Nil	Nil	Nil
Total	1,385,000	\$0.945	704,810

CORPORATE GOVERNANCE

Statement of Corporate Governance

The Canadian Securities Administrators have published National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) and Multilateral Instrument 52-110 – *Audit Committees* (“**MI 52-110**”). These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation’s approach to corporate governance in relation to the Guidelines.

Board of Directors

The Corporation’s board of directors currently consists of four members, namely Anthony Frizelle, Dr. K. Sethu Raman, Peter C. Jones and Robert A. Bondy. Two of the directors are independent directors, namely, Sethu Raman and Peter C. Jones. The remaining two directors are not independent because they are officers of the Corporation, namely: Anthony Frizelle, Chairman & CEO and Robert A. Bondy, Secretary.

The following nominees for election as directors of the Corporation are directors of other reporting issuers (or the equivalent) as listed below:

- Robert A. Bondy: Guyana Goldfields Inc.
Canuc Resources Corporation
- Peter C. Jones: Century Aluminum Co.
IAMGOLD Corp.
Lakota Resources Inc.
Royal Nickel Corp.
- Dr. K. Sethu Raman: Lake Shore Gold Corp.
Altai Resources Inc.

Orientation and Continuing Education

The board of directors has no formal orientation and education program for new directors. When a new member joins the board, he is provided with sufficient information (such as filing statements, technical reports and various other operating, property and budget reports) to ensure he is familiarized with the Corporation’s strategic plans, its significant financial, accounting and risk management issues

and its principal officers. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

Ethical Business Conduct

The board of directors has adopted a written code of business conduct and ethics for its directors, officers and employees. Each director, officer and employee is expected to comply with that code and relevant corporate and securities laws and, where applicable, the terms of their employment agreements. In addition, each director, officer and employee is expected to comply with Insider Trading Policy and Whistle Blower Policy.

In the event that a director or executive officer has a material interest in any transaction being considered by the Board of Directors, any such conflict will be subject to and governed by procedures prescribed by the *Ontario Business Corporations Act* (“**OBCA**”) which require a director or officer of a corporation experiencing such a conflict to disclose his interest and refrain from voting on any such matter unless otherwise permitted by the OBCA.

Nomination of Directors

When a board vacancy occurs or is contemplated, any director may make recommendations to the board as to qualified individuals for nomination to the board. In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Corporation at that time.

Compensation

The board of directors reviews the adequacy and the form of compensation of the Corporation's directors and executive officers. The Audit and Compensation Committee makes recommendations to the board who gives final approval on compensation matters.

The board of directors also administers the Corporation's Stock Option Plan. The board of directors oversees the granting of Stock Options to directors and executive officers of the Corporation as well as compensation for executive officers. Executive officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Corporation.

Assessment

The board does not have a formal process to critically review the performance of the board and each of its committees.

Audit and Compensation Committee

The board of directors has one committee, the Audit and Compensation Committee, which is presently comprised of Dr. K. Sethu Raman, Peter C. Jones and R. A. Bondy. Each member of the Committee is considered to be financially literate. Dr. Raman and Mr. Jones are considered to be independent for the purposes of MI 52-110. Mr. Bondy is not considered to be independent as he is Secretary of the Corporation. As a “venture issuer” for the purpose of MI 52-110, the Corporation is relying upon the exemption in section 6.1 of MI 52-110.

The Audit and Compensation Committee provides review and oversight of the Corporation's accounting and financial reporting process, and the audit process, including the selection, oversight and compensation of the Corporation's external auditor.

A copy of the Charter of the Audit and Compensation Committee is attached hereto as Schedule “A”.

Relationship with Auditor

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

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

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2008	\$46,084	\$2,100	\$3,732	N/A
December 31, 2007	\$11,200	N/A	\$2,000	N/A

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found at www.sedar.com. A copy of the following documents may be obtained, without charge, upon request to the Chief Executive Officer of NiCo Mining Limited, 2 Bloor Street West, Suite 1803, Toronto, Ontario, M4W 3E2, Phone: (416) 637-2080, Facsimile: (416) 637-2081.

- (a) the comparative financial statements of the Corporation for the financial year ended December 31, 2008, together with the accompanying report of the auditor thereon and related Management Discussion and Analysis and any interim financial statements of the Corporation for periods subsequent to December 31, 2008 and related Management Discussion and Analysis; and
- (b) this Circular.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board of Directors of the Corporation.

DATED at Toronto, Ontario, this 24th day of August, 2009.

On behalf of the Board of Directors

(Signed) “*Tony Frizelle*”

Anthony Frizelle
Chairman & Chief Executive Officer

SCHEDULE "A"

NICO MINING LIMITED AUDIT & COMPENSATION COMMITTEE CHARTER

1. Introduction

The Audit & Compensation Committee (the "**Committee**" or the "**Audit & Compensation Committee**") of NiCo Mining Limited ("**NiCo**" or the "**Company**") is a committee of the Board of Directors (the "**Board**"). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company's financial statements and exercise the responsibilities and duties set out in this Charter.

2. Compensation

The adequacy and form of director and officer compensation is to be reviewed on an annual basis by the Board. The Audit & Compensation Committee shall recommend to the Board any adjustments to the compensation payable to directors, officers and senior staff. The Audit & Compensation Committee shall meet as required to discuss salary and bonus incentive matters.

3. Membership

Number of Members. The Committee shall be composed of three or more members of the Board.

Independence of Members. A majority of members of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in Multilateral Instrument 52-110 *Audit Committees*, as may be amended from time to time.

Chair. At the time of the annual appointment of the members of the Audit & Compensation Committee, the Board shall appoint a Chair of the Audit & Compensation Committee. The Chair shall be a member of the Audit & Compensation Committee, preside over all Audit & Compensation Committee meetings, coordinate the Audit & Compensation Committee's compliance with this Charter, work with management to develop the Audit & Compensation Committee's annual work-plan and provide reports of the Audit & Compensation Committee to the Board.

Financial Literacy of Members. At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Term of Members. Each member of the Committee shall serve at the pleasure of the Board or until the member resigns, dies, is removed or ceases to be a member of the Board for any reason. The Board may fill a vacancy in the membership of the Audit & Compensation Committee.

4. Meetings

Number of Meetings. The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Minutes; Reporting to the Board. The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter requiring, in his or her view, the immediate attention of the Board.

Attendance of Non-Members. The external auditors are entitled to attend and be heard at each Audit & Compensation Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management. The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Access to Management. The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

5. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**").

Financial Reports

- (a) **General.** The Audit & Compensation Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company.
- (b) **Review of Annual Financial Reports.** The Audit & Compensation Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("**MD&A**"). After completing its review, if advisable, the Audit & Compensation Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.
- (c) **Review of Interim Financial Reports.** The Audit & Compensation Committee shall review the interim consolidated financial statements of the Company and the related MD&A. After completing its review, if advisable, the Audit & Compensation Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

Auditors

- (a) **General.** The Audit & Compensation Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

- (b) **Appointment and Compensation.** The Audit & Compensation Committee shall review and, if advisable, select and recommend for shareholder approval the appointment of, the auditors. The Audit & Compensation Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.
- (c) **Resolution of Disagreements.** The Audit & Compensation Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.
- (d) **Discussions with Auditors.** At least annually, the Audit & Compensation Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.
- (e) **Requirement for Pre-Approval of Non-Audit Services.** The Audit & Compensation Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures.
- (f) **Financial Executives.** The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

- (a) **General.** The Audit & Compensation Committee shall review the Company's system of internal controls.
- (b) **Establishment, Review and Approval.** The Audit & Compensation Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit & Compensation Committee shall consider and review with management and the auditors:
 - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
 - (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
 - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
 - (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against

management or other employees who have a significant role in financial reporting;
and

- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements. The Audit & Compensation Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit & Compensation Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Committee Disclosure. The Audit & Compensation Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

6. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit & Compensation Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.