



# Avto Metals plc

## GIBRALTAR COMPANY NUMBER 92964 INFORMATION CIRCULAR Fiscal Year 2009

### 1. SOLICITATION OF PROXIES:

This information circular is furnished in connection with the solicitation of proxies by the Management of Avto Metals plc ("Company") for use at its Annual Meeting of Members to be held 23 June 2009 in Gibraltar and via the Internet at [www.avtometals.gi](http://www.avtometals.gi), with the Record Date of the meeting being 29 April 2009, for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be by mail, e-mail, fax, Internet web site, telephone or in person by Officers and Directors of the Company. The cost of solicitation will be borne by the Company. The information contained herein is given as of 31 March 2009, unless otherwise indicated. All dollar figures set forth are expressed in United States Dollars. All accounting is done in accordance with Gibraltar Generally Accepted Accounting Principles (GAAP).

### 2. QUORUMS AND VOTING:

The authorised share capital of the Company is \$100,000, consisting solely of one class of common shares divided into 10,000,000 shares with par value of \$0.01 per share, of which 5,367,115 shares were outstanding at the close of business 31 March 2009.

Each holder of record of a common share as of the Record Date for the meeting is entitled to attend the meeting and to cast one vote for each share. Proxies are being accepted by hand delivery, mail, e-mail, fax, and the Company's Internet website at [www.avtometals.gi](http://www.avtometals.gi). Any resolution to be voted upon at the meeting must be approved by a majority of the votes cast, unless the Company's Articles of Association stipulate a number or proportion of the votes cast in excess of a majority. The meeting will proceed as long as there is a quorum at the meeting place including the voted proxies.

### 3. REVOCATION OF PROXIES:

Each shareholder has the power to revoke a proxy at any time as long as it has not been exercised. In addition to revocation in any other manner permitted by law, a member giving a proxy pursuant to this solicitation who wishes to revoke the proxy instrument may do so in writing. This revocation must be executed by the member, or by his attorney authorised in writing, or, if the member is a Corporation, under its Corporate seal or by an officer or attorney thereof duly authorised, and received by mailed, or deposited, at any office of the Company, via e-mail to [proxy@avtometals.gi](mailto:proxy@avtometals.gi), or by fax to +44.207.504.3593 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 such meeting on the day of the meeting, or adjournment thereof.

### 4. PRINCIPAL HOLDERS OF VOTING SHARES:

To the knowledge of the Directors and Officers of the Company there is no person who beneficially owns or exercises control or direction over shares carrying more than ten percent of the votes attached to shares of the Company as of 31 March 2009 except:

Borealis Technical Limited (which is a 98% owned subsidiary of Borealis Exploration Limited) owns 5,202,500 shares, which is 96.89% of the outstanding shares

### 5. ELECTION OF DIRECTORS:

#### Present Directors

Isaiah W. Cox, A.B.  
Wayne S. Marshall, Ph.D.  
Iris Oren Cox, J.D.  
Rodney T. Cox, Ph.D.  
Peter Vanderwicken,  
A.B.

#### Remaining Term

up for election  
up for election  
1 year  
2 years  
2 years

The proxy will be voted for the following proposed nominees (or for a substitute nominee in the event of contingencies not known at present) who will serve for a period of 3 years, or their successors if they are elected or appointed in accordance with the Articles of Association of the Company. Respective reported share totals are as at 31 March 2009

**ISAIAH W. COX** became a Director of the Company on 6 October 2004. Mr. Cox is President and Chief Operating Officer of the Company. He is also a Director of Borealis Exploration Limited and each of its wholly and partially owned, direct and indirect subsidiaries except for Roche Bay plc. Isaiah W. Cox beneficially owns directly or indirectly 11,501 shares of Avto Metals plc, and has options on 15,500 shares of Avto Metals plc.

**WAYNE S. MARSHALL** became a Director of the Company on 6 October 2004. Dr. Marshall is Professor Emeritus of Business, Long Island University. He is also a Director of Borealis Exploration Limited and each of its wholly and partially owned, direct and indirect subsidiaries except for Roche Bay plc. Wayne S. Marshall beneficially owns directly or indirectly 2,401 shares of Avto Metals plc, and has options on 15,000 shares of Avto Metals plc.

**THE PRESENT POSITION AND OFFICE WITH THE COMPANY IF APPLICABLE, AND THE PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT OF THE INCUMBENT DIRECTORS AND OFFICERS ARE AS FOLLOWS. UNLESS OTHERWISE STATED, SUCH OCCUPATION OR EMPLOYMENT HAS CONTINUED FOR MORE THAN THE LAST FIVE YEARS.**

**IRIS OREN COX** became a Director of the Company on 24 June 2008. She is a member of the Oregon State Bar and the US Patent Bar. Ms. Cox is currently also a Director of Avto Metals plc. Iris Oren Cox beneficially owns directly or indirectly 1 share of Avto Metals plc.

**RODNEY T. COX** became Chief Executive Officer on 6 October 2004. Dr. Cox became a Director and Chairman of the Board of the Company on 6 October 2004. He is also a Director of Borealis Exploration Limited and each of its wholly and partially owned, direct and indirect subsidiaries except for Roche Bay plc. Rodney T. Cox beneficially owns directly or indirectly 1 share of Avto Metals plc, and has options on 30,000 shares of Avto Metals plc.

**PETER VANDERWICKEN** became a Director of the Company on 6 October 2004. Mr. Vanderwicken is a private investor who retired in 2004 as president of Plumstead Group, Inc., a publishing and consulting firm. He is currently also a Director of Borealis Exploration Limited, Chorus Motors plc, Cool Chips plc, Power Chips plc, Photon Power plc and Chairman of Roche Bay plc. Peter Vanderwicken beneficially owns directly or indirectly 6,186 shares of Avto Metals plc, and has options on 7,500 shares of Avto Metals plc.

**STM Fidecs Management (Gibraltar) Limited** (formerly known as Fidecs Management Limited) became Corporate Secretary of the Company on 6 October 2004.

**6. APPOINTMENT OF AUDITORS:**

Unless otherwise specified therein, it is presently intended to vote the proxy to appoint Moore Stephens, Chartered Accountants, Gibraltar, as auditors of the Company, to hold office until the next annual meeting of shareholders, and to authorize the Directors to fix their remuneration.

**7. OPTIONS:**

There are 750,000 options authorized for a 5 year period from 31 December 2004. Of those, 735,500 are outstanding at US\$10/share.

**8. INSURANCE:**

The Company has liability insurance for its various offices and facilities worldwide. The Company indemnifies all of its Officers and Directors against any legal actions or threatened legal actions that are in any way related to their relationship to the Company. The indemnification includes paying all legal bills and all costs of any kind relating to any such claims.

**9. INTEREST OF LARGE SHAREHOLDERS IN MATERIAL TRANSACTIONS WITH THE COMPANY:**

Borealis Technical Limited collects a nominal annual retainer fee for managing the business of Avto Metals plc. All funds raised before Fiscal Year 2007 by the sale of Avto Metals plc shares went to Borealis Technical Limited, where they became an accounts payable to Avto Metals plc. Borealis Technical Limited, in return, paid all of Avto Metals plc's expenses. The result of this was that Avto Metals plc had its expenses paid, and the funds used to pay these expenses were still owed by its parent company to Avto Metals plc. Beginning in Fiscal Year 2007, Avto Metals plc became now a stand alone company that is charged its own expenses.

**10. GENERAL:**

The Management knows of no matter to come before the Annual Meeting other than the matters referred to in the Notice of the Meeting. If any matters that are not now known to the Management should properly come before the meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person or persons voting it.

The contents and sending of this information have been approved by the Directors of the Company.

Dated 23 June 2009

**Avto Metals plc**

A handwritten signature in black ink, appearing to read 'Rodney T. Cox', written over a horizontal line.

Rodney T. Cox, Ph.D.  
CEO/Chairman of the Board

A handwritten signature in black ink, appearing to read 'Isaiah W. Cox', written over a horizontal line.

Isaiah W. Cox, A.B.  
President/COO