

**DIA BRAS EXPLORATION INC.**  
**MANAGEMENT INFORMATION CIRCULAR**

**Solicitation of Proxy**

This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of DIA BRAS EXPLORATION INC. (the “Corporation”) for use at the Special Meeting of Shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof (the “Meeting”). It is expected that the solicitation will be primarily by mail, but proxies may also be solicited in person or by telephone by employees of the Corporation. The cost of solicitation is borne by the Corporation.

**Appointment and Revocation of Proxy**

The persons named in the enclosed Form of Proxy are officers of the Corporation. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him at the Meeting, may do so by inserting such person’s name in the blank space provided in the Form of Proxy and depositing the duly completed Form of Proxy at the registered office of the Corporation or the Corporation's transfer agent indicated on the enclosed envelope prior to the close of business on the second business day preceding the date of the Meeting (exclusive of Saturdays, Sundays and holidays).**

Any proxy given may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his or her attorney authorized in writing, and deposited either at the registered office of the Corporation or its transfer agent at any time prior to the close of business on the second business day preceding the date of the Meeting or in any other manner permitted by law. The shareholder may choose to attend the Meeting in person and exercise his or her voting rights.

**Exercise of Discretion by Proxy**

A shareholder forwarding the enclosed Form of Proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. The persons named in the enclosed Form of Proxy will vote the shares in respect of which they are appointed in accordance with the directions, if any, of the shareholders appointing them. **In the absence of such directions, such shares will be voted in favour of the passing of all the resolutions described below. The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to any amendment or variation to matters identified in the Notice of Meeting and to any other matter which may properly come before the Meeting.** At the time of the Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, in either case, the persons named in the Form of Proxy will vote according to their best judgment.

**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, shares beneficially owned by a person (a “Non-Registered Holder”) are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the common shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, entitled “Communication with Beneficial Owners of Securities of a Reporting Issuer”, the Corporation has distributed copies of the Notice of Meeting and this Circular (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose. Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called 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 which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or

- (b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Investor Services Inc. (Attention: Proxy Department), 1500 University, 7th Floor, Montréal, Québec H3A 3S8.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares (as defined below) which they beneficially own. Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Investor Services Inc. at the address set out above. **In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.** A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

#### **Interest of Certain Persons or Companies in Matters to Be Acted Upon**

Except as disclosed herein, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has any significant interest in the matters to be acted upon at the Meeting.

#### **Voting Securities and Principal Holders**

The directors of the Corporation have fixed August 9, 2010, at the close of business, as the record date for the determination of the shareholders entitled to receive notice of the Meeting and to vote thereat. All holders of at least one share of the Corporation (a "Common Share") as of that date will have the right to vote at the Meeting, except to the extent that a person has transferred any of his shares after such record date and the transferee of those shares (i) produces properly endorsed share certificates, or (ii) otherwise establishes that he owns the shares and demands, no later than ten days before the Meeting, that his name be included in the list prepared by the transfer agent before the Meeting, in which case the transferee will be entitled to vote at the Meeting.

As of August 9, 2010, 491,438,086 Common Shares were outstanding, each giving the right to one vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, the only persons, firms or corporations who own, as of August 9, 2010, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, are as follows:

<b>Shareholder Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Issued Shares</b>
Arias Resource Capital Fund LP	267,742,329	54.48%

### **Interest of Informed Persons in Material Transactions**

Except as disclosed herein and in the audited financial statements of the Corporation for fiscal year ended December 31, 2009, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has had an interest in any material transaction carried out since the commencement of the last fiscal period of the Corporation and which has materially affected or is likely to materially affect the Corporation.

### **PARTICULARS OF THE MATTER TO BE ACTED UPON AT THE MEETING**

#### **Share Consolidation**

Shareholders will be asked at the Meeting to approve a special resolution (the "Share Consolidation Resolution") to consolidate all of the Corporation's issued and outstanding Common Shares on the basis of a ratio (the "Ratio") of not more than one (1) post-consolidation Common Share for a maximum of every seven (7) pre-consolidation Common Shares (the "Consolidation"), with the Consolidation to be implemented by the Corporation's Board of Directors (the "Board") at any time prior to December 31, 2010. The Consolidation remains subject to receipt of all necessary regulatory approvals, including shareholder approval and acceptance of TSX Venture Exchange.

The Corporation believes that the number of the currently outstanding Common Shares may no longer reflect the value of the assets of the Corporation. The Corporation's future performance is largely tied to the Corporation's ability to raise equity financings, without excessively diluting the interests of its current shareholders. The proposed Consolidation will enable potential investors to better evaluate the Corporation in connection with future equity financings of the Corporation. The proposed Ratio will help Directors to mitigate potential dilution, depending on the circumstances under which the Consolidation is implemented. Accordingly, the Corporation is seeking approval by the shareholders of the Consolidation on the basis of the proposed Ratio. The Board will not proceed with the Consolidation if it determines that the Consolidation is no longer in the best interests of the Corporation and its shareholders.

If the Share Consolidation Resolution is approved, the Consolidation will be implemented only upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a proposed Consolidation, the Board will set the timing for such Consolidation. No further action on the part of the shareholders will be required in order for the Board to implement the Consolidation. Under the *Canada Business Corporations Act* ("CBCA"), shareholders do not have dissent rights with respect to the proposed Consolidation. If the Board does not implement the Consolidation before December 31, 2010, the authority granted by the Share Consolidation Resolution to implement the Consolidation on these terms will lapse and be of no further force or effect. The Share Consolidation Resolution will also authorize the Board to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion, to do so. The Board would exercise this right if it determined that the Consolidation was no longer in the best interests of the Corporation and its shareholders. No further action on the part of the shareholders will be required in order for the Board to abandon the Consolidation.

If the Share Consolidation Resolution is approved by the shareholders, and the Board decides to implement the Consolidation, following the obtaining of all necessary regulatory approvals, including the acceptance of the TSX Venture Exchange, the Corporation will promptly file articles of amendment with the Director under the CBCA in the form prescribed by the CBCA to amend the Corporation's articles of incorporation. The Consolidation will become effective on the date shown in the certificate of amendment in connection therewith, or such other date as indicated in the articles of amendment.

If the Board decides to implement the Consolidation at the maximum authorized ratio of 1:7, upon completion of the proposed Consolidation the number of Common Shares issued and outstanding will be reduced from 491,438,086 as of August 9, 2010 to 70,205,440.

No fractional shares will be issued in connection with the Consolidation and, in the event that a shareholder would otherwise be entitled to receive a fractional share upon the Consolidation, this shareholder shall have such fractional shares cancelled. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any shareholders' percentage ownership in the Company, even though such ownership will be represented by a smaller number of Common Shares.

The exercise or conversion price and/or the number of Common Shares issuable under any outstanding convertible securities, including under outstanding stock options, warrants, rights and any other similar securities will be adjusted on a pro rata basis upon the implementation of the Consolidation, in accordance with the terms of such securities, based on the Consolidation ratio.

If the proposed Consolidation is approved by the shareholders and all regulatory requirements are complied with, including the approval by the TSX Venture Exchange, and implemented by the Board, following the announcement by the Corporation of the effective date of Consolidation, registered shareholders will be sent a transmittal letter by the Corporation's transfer agent, Computershare Investor Services Inc., containing instructions on how to exchange their share certificates representing pre-Consolidation Common Shares for new share certificates representing post-Consolidation Common Shares.

Accordingly, the shareholders of the Corporation will be asked to consider and, if thought appropriate, pass the following special resolution authorizing the Consolidation:

"BE IT RESOLVED, as a special resolution of the shareholders of Dia Bras Exploration Inc. (the "Corporation"), that:

1. The articles of the Corporation be amended to consolidate the issued and outstanding Common Shares of the Corporation, on the basis of a consolidation ratio of not more than one (1) post-consolidation share for a maximum of every seven (7) pre-consolidation shares (the "Consolidation");
2. Subject to the maximum set out above, the determination of the basis for the consolidation shall be at the discretion of the Board of Directors of the Corporation;
3. No fractional Common Shares shall be issued in connection with the Consolidation and, in the event that shareholders would otherwise be entitled to receive a fractional share upon Consolidation, such shareholders shall have such fractional shares cancelled;
4. The effective date of such Consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the *Canada Business Corporations Act* or such other date indicated in the articles of amendment;
5. Any officer or director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution, but in no case later than December 31, 2010; and
6. Notwithstanding the foregoing, the Board of Directors of the Corporation is hereby authorized to revoke this special resolution before it is acted on and to abandon the proposed amendment to the Articles of the Corporation with or without further approval of the shareholders of the Corporation. "

Under the CBCA, the Share Consolidation Resolution requires the approval of at least two-thirds of the votes cast present in person or represented by proxy at the Meeting. **Unless otherwise directed by holders of Common Shares, the persons named as proxies in the accompanying form of Proxy intend to vote the Common Shares represented by such proxy in favour of the Share Consolidation Resolution.**

**Additional Information**

Additional information relating to the Corporation is available on SEDAR at [WWW.SEDAR.COM](http://WWW.SEDAR.COM).

Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2009 and the related management's discussion and analysis (the "MD&A"). Shareholders who wish to obtain a copy of the financial statements and MD&A of the Corporation may contact the Corporation as follows:

By phone:	514-393-8875
By fax:	514-393-8513
By e-mail:	kboltz@diabras.com
By mail:	<b>DIA BRAS EXPLORATION INC.</b> Suite 2750 600 de Maisonneuve Blvd. West Montréal, Québec H3A 3J2

**BY ORDER OF THE BOARD OF DIRECTORS**

(s) *Luce L. Saint-Pierre*

Luce L. Saint-Pierre  
Secretary

Montréal, Québec  
August 11, 2010