

ORSU METALS CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the “**Meeting**”) of Orsu Metals Corporation (the “**Corporation**”) will be held at 1 Red Place, London, W1K 6PL, United Kingdom on the 18th day of May, 2011 at 12:00 p.m. (London time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2010 together with the report of the auditors thereon;
2. to appoint auditors for the Corporation for the ensuing year at a remuneration to be fixed by the directors of the Corporation;
3. to elect directors to the board of directors of the Corporation;
4. to consider and, if deemed appropriate, to pass a resolution authorizing the adoption of a joint share ownership plan for the Corporation, as described in further detail in the Information Circular (as defined below);
5. to consider and, if deemed appropriate, to pass a resolution to amend Regulation 21 of the Corporation’s Articles of Association (the “**Articles**”) to enable the Corporation, subject to applicable securities laws and the rules of any stock exchange on which the Corporation’s securities are listed or admitted to trading, to be able to deliver notices, documents and any other information to shareholders by electronic or other similar means and/or via a website, as described in further detail in the Information Circular, and to authorize the Registered Agent of the Corporation to file such amendment to the Articles with the Registrar of Corporate Affairs in the British Virgin Islands; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice is the management information circular of the Corporation dated as of April 15, 2011 (the “**Information Circular**”) and a form of proxy. The Information Circular provides further information relating to the matters to be addressed at the Meeting and is incorporated into this notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the Information Circular and in the proxy accompanying this notice.

Please advise the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, of any change in your mailing address.

DATED as of the 18th day of April, 2011.

BY ORDER OF THE BOARD

(Signed) “*Tania Tchedaeva*” - *Company Secretary*

ORSU METALS CORPORATION

**MANAGEMENT INFORMATION CIRCULAR
AS AT APRIL 15, 2011**

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF ORSU METALS CORPORATION (THE “CORPORATION”) FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE CORPORATION (THE “MEETING”) (AND ANY ADJOURNMENT THEREOF) TO BE HELD ON MAY 18, 2011, AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. While it is expected that such solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

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

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors and officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM, HER OR IT AT THE MEETING HAS THE RIGHT TO DO SO BY INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER 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 the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, Canada M5J 2Y1, facsimile: within North America (866) 249-7775 and outside North America (416) 263-9524 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or deliver it to the Chairman of the Meeting prior to the commencement of the Meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his, her or its attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, Canada M5J 2Y1, facsimile: within North America (866) 249-7775 and outside North America (416) 263-9524 or the head office of the Corporation at 1 Red Place, London, England W1K 6PL at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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 APPOINTMENT OF AUDITORS AT A REMUNERATION TO BE FIXED BY THE DIRECTORS OF THE CORPORATION, FOR THE ELECTION OF DIRECTORS OF THE CORPORATION, FOR THE JOP RESOLUTION (AS DEFINED BELOW) AND FOR THE ARTICLES OF ASSOCIATION AMENDMENT RESOLUTION (AS DEFINED BELOW), AS SET OUT IN FURTHER DETAIL BELOW. 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, HER OR ITS JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares of the Corporation (each, a “**Common Share**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of 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. Non-Registered Holders will be given, in substitution for the proxy otherwise provided with the Meeting Materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

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 the voting instructions 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 so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at April 15, 2011, 157,696,049 Common Shares were issued and outstanding.

Only shareholders of record at the close of business on April 13, 2011 (the “**Record Date**”), who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting.

Each shareholder is entitled to one vote for each Common Share registered in his, her or its name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. at the address listed above and will also be available at the Meeting. All matters to be voted upon at the Meeting must be approved by a resolution passed by the shareholders.

To the knowledge of the directors and executive officers of the Corporation, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares.

BUSINESS TO BE CONSIDERED AT THE MEETING

Audited Financial Statements

The Corporation’s consolidated financial statements for the financial year ended December 31, 2010 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Corporation’s consolidated financial statements for the financial year ended December 31, 2010 will not constitute approval or disapproval of any matters referred to therein.

Appointment of Auditors

The current auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING PROXY INTEND TO VOTE FOR THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE CORPORATION AND THE AUTHORIZATION OF THE DIRECTORS OF THE CORPORATION TO FIX THEIR REMUNERATION.

Election of Directors

The Articles of Association of the Corporation provide that the board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) must consist of a minimum of three (3) and a maximum of fifteen (15) directors. The Board of Directors shall be elected by the shareholders of the Corporation for such term as the shareholders shall determine, including on an annual basis, but a director’s term of office shall not exceed the close of the third annual meeting following their election. The term of office of each of the present directors was for one year and therefore, the terms of such directors will expire at the close of the Meeting. It is intended that six (6) directors will be elected at the Meeting for the ensuing year.

The persons named below will be presented for election at the Meeting as management’s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Each director elected will hold office until the next annual meeting of the Corporation, unless his office is earlier vacated in accordance with the Articles of Association of the Corporation and the provisions of the *BVI Business Companies Act 2004*, as amended (British Virgin Islands).

The following table and notes thereto state the names of all persons proposed to be nominated by management for election as directors of the Corporation (each, a “**proposed director**”), their residence, all offices of the Corporation now held by them, their principal occupations or employments, the period of

service as directors of the Corporation, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by each of them as at the date hereof, and their present status on any committees of the Board.

Name, Residence and Position with the Corporation ⁽¹⁾	Principal Occupations ⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽²⁾
Dr. Sergey V. Kurzin Sussex, United Kingdom, Executive Chairman	Executive Chairman of the Corporation from June 2008 to present.	June 18, 2008	3,320,000
Dr. Alexander Yakubchuk London, United Kingdom, Chief Operating Officer and a Director	Chief Operating Officer of the Corporation from November 2009 to present (having been the Director of Exploration of the Corporation from July 2008 to November 2009 and the Chief Executive Officer of the Corporation from June 2008 to July 2008).	June 18, 2008	250,000
Mr. Massimo Carello ⁽³⁾⁽⁵⁾ London, United Kingdom, Non-Executive Director	Non-Executive Director of the Corporation from September 2008 to present; Non-Executive Director and a member of the Audit Committee of Uranium One Inc. (a world uranium producer) from June 2007 to present; Non-Executive Director of Canaccord Financial Inc. (a leading full-service investment dealer in Canada) from August 2008 to present; Non-Executive Director of Velo Energy Inc. (an oil and gas company).	September 25, 2008	225,000
Mr. Mark Corra ⁽³⁾⁽⁴⁾ British Columbia, Canada, Non-Executive Director	Senior Vice President, Finance and Chief Financial Officer of B2Gold Corp. (a precious metal exploration company) from April 2007 to present.	July 7, 2008	252,500
Mr. Timothy Hanford ⁽⁴⁾⁽⁵⁾ London, United Kingdom, Non-Executive Director	Non-Executive Director of the Corporation from 2006 to present; Currently Managing Director at J.C. Flowers & Co. (a private equity investment firm).	September 28, 2006	5,000
Mr. David Rhodes ⁽³⁾⁽⁴⁾⁽⁵⁾ Kent, United Kingdom, Non-Executive Director	Non-Executive Director of the Corporation from 2010 to present; Managing Director of Endeavour Financial Limited (financial services advisory firm) from 2004 to present.	December 7, 2010	332,400

Notes:

- (1) Information as to the residence and principal occupation has been provided by individual directors.
- (2) This information, not being within the knowledge of the Corporation, has been provided by individual directors.
- (3) Current member of the Audit Committee of the Corporation (the “**Audit Committee**”), of which Mr. Corra is the Chairman.
- (4) Current member of the Compensation Committee of the Corporation (the “**Compensation Committee**”), of which Mr. Hanford is the Chairman.
- (5) Current member of the Governance and Nominating Committee (the “**Governance Committee**”), of which Mr. Carello is the Chairman.

Corporate Cease Trade Orders

No proposed director of the Corporation is, or has been within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, was subject to:

- (a) 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
- (b) an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial 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.

Penalties or Sanctions

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding to vote for a proposed director.

Bankruptcies

No proposed director of the Corporation:

- (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, 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 his assets.

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

HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Approval of Joint Share Ownership Plan

The Corporation intends to establish a joint share ownership plan (“**JOP**”) which it anticipates will: (i) focus and drive the executive management team to grow the value of the Corporation; (ii) align the interests of the executive management team with that of investors; (iii) assist management in recruiting and retaining talent; and (iv) provide a tax efficient alternative to the Corporation’s stock option plan (the “**Option Plan**”) for certain eligible employees and officers of the Corporation who reside in England. The rules of the Toronto Stock Exchange (“**TSX**”) require that all security based compensation arrangements must be approved by a majority of the Corporation’s directors and by its shareholders. On April 11, 2011 the Board approved the implementation of the JOP, subject to the JOP being approved by shareholders at the Meeting. Implementation of the JOP is also subject to TSX approval.

Summary of the Joint Share Ownership Plan

A joint share ownership plan is a security based compensation arrangement designed to allow award recipients to participate in an increase in the value of the shares of a company in a tax efficient manner. Awards made under the JOP (“**JOP Awards**”) may be made to selected employees and/or officers of the Corporation (each, a “**Participant**”) at the discretion of the Board. No JOP Award may be made after the tenth anniversary of the date on which the JOP is adopted. The JOP prohibits any JOP Awards being made within three trading days of the end of a “black-out” period. Any corporate governance guidelines applicable to the Corporation will also be considered prior to any JOP Award being made.

JOP Awards may be granted in parallel with options granted pursuant to the Option Plan (“**Parallel Options**”). In the event a Parallel Option is granted in connection with a JOP Award, the Participant will only be able to realize value under the JOP Award to the extent the Parallel Options are not exercised. In addition, each Parallel Option granted in connection with a JOP Award will expire immediately prior to such JOP Award being realized. See “Securities Authorized for Issuance under Equity Compensation Plans - *Stock Option Plan*” below for a detailed description of the Option Plan.

Nature of the Interests

The Board may delegate to the Compensation Committee authority to administer certain matters and aspects of the JOP. Under the JOP, an employee benefit trust (“**EBT**”), which will be designated for purposes of implementing the JOP, will jointly own with each Participant the beneficial interest in the Common Shares subject to the JOP Awards (the “**JOP Shares**”). The EBT and Participant will jointly subscribe for Common Shares, from the authorised but unissued shares in the Corporation, at not less than the market price (as defined in the rules of TSX). The Participant will pay a nominal amount of the subscription price for the JOP Shares. The EBT will pay the balance of the subscription price for the JOP Shares using the proceeds of a loan advanced to it by the Corporation. See “*Loans to EBT*” below.

Pursuant to the terms of the JOP, a Participant receiving a JOP Award will enter into a co-ownership agreement (the “**Co-Ownership Agreement**”) with the EBT and the Corporation. The EBT and Participant’s respective interests in the JOP Shares will be governed by the Co-Ownership Agreement. The Participant will be entitled to his interest in the value of the JOP

Shares if a “hurdle” is exceeded, being a specified multiple in excess of a threshold amount as determined by the Board or Compensation Committee. The threshold amount will be set at not less than the market price (as defined in the rules of the TSX) of the Common Shares at the time the JOP Award is made. The Participant may, therefore, benefit from growth in the value of the JOP Shares after the JOP Award is made.

The Participant’s entitlement to any proceeds under the JOP will be restricted to the increase (if any) in the value of the JOP Shares over a prescribed period (from the award date to the sale date), provided that the hurdle is exceeded at the date of sale. The EBT’s interest will be restricted to the balance remaining after taking account of the Participant’s interest. A Participant may only realize his or her interest (if any) when the Participant and the EBT sell or transfer the JOP Shares in accordance with the JOP and Co-Ownership Agreement. The terms of the JOP and Co-Ownership Agreement allow a Participant to realize his or her interest in either cash (upon the sale of the JOP Shares) or JOP Shares (upon the EBT transferring all of its interest in and to the JOP Shares to the Participant); in either case only to the extent that any Parallel Options granted to the Participant have not been exercised.

The JOP Award is personal to the Participant and is not transferable (although a Participant’s interest in the JOP Shares may pass on death to his the estate).

JOP Limits

The number of JOP Shares together with the number of Common Shares issuable pursuant to any outstanding options or awards made pursuant to the Option Plan (or under any other security-based compensation arrangements of the Corporation at any particular time), cannot exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. The number of securities issuable to insiders of the Corporation, at any time, under all security based compensation arrangements, including under the JOP and the Option Plan, cannot exceed 10% of the issued and outstanding Common Shares. The number of securities issued to insiders of the Corporation, within any one-year period, under all security based compensation arrangements, including under the JOP and the Option Plan, cannot exceed 10% of the issued and outstanding Common Shares. The number of securities issued to any one insider of the Corporation, within any one-year period, under all security based compensation arrangements, including under the JOP and the Option Plan, cannot exceed 5% of the issued and outstanding Common Shares. Where a JOP Award is made together with a grant of a Parallel Option, the Common Shares subject to each award and option will only count once for the purposes of the foregoing limits, since the Participant may not realize the JOP Award and also exercise the Parallel Option (and vice versa). Any JOP Shares that are surrendered, cancelled, terminated, lapsed or expired, shall be available for the making of subsequent JOP Awards.

As at the date hereof, there are options to purchase 14,782,500 Common Shares (representing an aggregate of approximately 9.37% of the Corporation’s currently issued and outstanding Common Shares) outstanding. Therefore, assuming the adoption of the JOP, as at the date hereof, the number of Common Shares issued and issuable in connection with the JOP and the Option Plan could not exceed 15,769,604 Common Shares (representing approximately 10% of the Corporation’s currently issued and outstanding Common Shares) and, accordingly, up to an additional 987,104 Common Shares (representing approximately 0.63% of the Corporation’s currently issued and outstanding Common Shares) could be issued or become issuable pursuant to JOP Awards or Parallel Options and/or options under the Option Plan.

Vesting Conditions

The JOP permits, but does not require, performance criteria to be a condition of vesting.

Subject to certain exceptions noted below, JOP Awards will be subject to a time (i.e. continuous service) requirement in that a Participant will not be entitled to realize his or her interest in the JOP Shares before the second anniversary of the date on which the JOP Award was made. The JOP refers to the period from the award date to the second anniversary as the blocking period.

A JOP Award will lapse after 5 years from the award date. The JOP Award will also lapse if the Participant is bankrupt and/or is dismissed (other than in certain circumstances set out in the JOP). When a JOP Award lapses, the Participant will forfeit his interest to the EBT for no cost.

If there is a change of control due to certain specified events, such as a takeover or acquisition of the Corporation or a court sanctioned reorganisation or liquidation, before the end of the blocking period, the Participant may (subject to applicable securities laws) realize his or her JOP Shares in accordance with the JOP within a prescribed time period in relation to such event.

Leaving Employment or Termination of Office

On a dismissal for cause, the JOP Award will lapse immediately. On retirement the JOP Award may be realized within 6 months of retirement providing this is after the end of the blocking period. On any other type of termination after the end of the blocking period, the JOP Award may be realized up to 90 days following such termination.

On a termination of employment or office due to death, the Participant's estate has one year (or if earlier until the fifth anniversary of the award date) to realize a Participant's interest in the JOP Award.

Rights Attaching to Shares

Participants will not be entitled to voting rights or dividends in respect of their interest in the JOP Shares until realizing their JOP Award. The voting rights for JOP Shares will be exercised by the trustee of the EBT as it considers appropriate and in the best interests of the Participants. The trustee of the EBT will be entitled to any dividends paid in respect of the JOP Shares prior to the JOP Award being realized.

Variations to Capital

In the event of any variation of the Corporation's share capital or in the event of a payment of a special dividend or similar event, the Board or Compensation Committee may make such adjustment as it considers appropriate to the number of JOP Shares or to the maximum number of Common Shares which may be subject to JOP interests so as to preserve the respective economic entitlements of the parties.

Alterations to the JOP

The Board may amend the JOP at any time provided that no such amendment may materially and adversely affect any JOP Award previously granted without the consent of the Participant (except to the extent required by law). Except in certain limited circumstances noted below, the Board will have the power and authority to approve any amendments relating to the JOP or to JOP Awards, without further approval of the shareholders of the Corporation. Without limiting the generality of the foregoing, such amendments may include, but shall not be limited to, amendments relating to:

- (a) complying with the requirements of any applicable regulatory authority;
- (b) complying with the rules, policies and notices of the TSX or of any stock exchange on which the Corporation's securities are listed;
- (c) altering, extending or accelerating the terms and conditions of vesting of any JOP Awards;
- (d) extending the term of JOP Awards held by a person other than a person who, at the time of the extension, is an insider of the Corporation;
- (e) repricing JOP Awards held by a person other than a person who, at the time of the repricing, is an insider of the Corporation;
- (f) determining, subject to all applicable regulatory requirements, that the provisions of the JOP concerning the effect of termination of a Participant's status as an eligible person under the JOP shall not apply to such Participant for any reason acceptable to the Board;
- (g) accelerating the expiry date of any JOP Awards;
- (h) amending the definitions contained within the JOP;
- (i) amending the categories of persons who are eligible under the JOP and entitled to be granted JOP Awards pursuant to the JOP;
- (j) allowing the grant of financial assistance for the purpose of subscriptions for JOP Shares, subject to compliance with all applicable regulatory requirements;
- (k) the assignability or transferability of JOP Awards, with respect to eligible persons generally and/or with respect to any Participant;
- (l) amending or modifying the mechanics of realizing JOP Awards; and
- (m) amendments of a "house-keeping" nature, including, without limitation, amending the wording of any provisions of the JOP for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the JOP that is inconsistent with any other provision of the JOP.

The Board must obtain shareholder approval for the following amendments:

- (a) an increase in the maximum number of securities reserved for issuance under the JOP;
- (b) granting additional powers to the Board to amend the JOP;
- (c) an extension to the term of a JOP Award held by an insider; and
- (d) changes to the insider participation limits for the JOP which result in shareholder approval being required on a disinterested basis.

Any amendment shall, if required, be subject to the prior approval of, or acceptance by, any stock exchange on which the Common Shares are listed and posted for trading. The Board may by resolution terminate the JOP and in such event all JOP Awards outstanding may be realized by Participants within 30 days after the Corporation has notified Participants of such termination.

Loans to EBT

In connection with each JOP Award made, the Corporation will make a formal loan to the EBT in an amount equal to the aggregate market price of the JOP Shares subject to such award (less the nominal amount being subscribed by the Participant), which will be advanced to the EBT for the purposes of funding the EBT's subscription for the JOP Shares. Under each such loan, the Corporation will have the right to require the EBT to repay the loan (in whole or part) at any time. However, the Corporation currently anticipates that it will require each loan be repaid (either wholly or partially) when a JOP Award is realized or when the Participant's interest in the JOP Shares lapses. Each such loan will be interest free with recourse limited to the assets of the EBT from time to time. It is anticipated that the EBT's assets will, from time to time, be comprised solely of a nominal amount of cash received upon settlement of the EBT, the JOP Shares and any excess cash received in connection with sales of JOP Shares pursuant to realizations of JOP Awards by Participants. Accordingly, it is possible (depending on the market price of the JOP Shares at the time the Corporation requires repayment of such loans) that the Corporation will not receive repayment in full of the aggregate principal amount advanced to the EBT pursuant to such loans.

Shareholder Approval

The approval of the JOP will require the affirmative vote of a majority of the votes cast thereon at the Meeting. If the resolution is not approved: (i) the JOP will not be implemented by the Corporation; and (ii) the Corporation may, consequently, have difficulty attracting and retaining highly experienced and qualified personnel.

The text of the proposed resolution to approve the JOP (the "**JOP Resolution**") is as follows:

"BE IT RESOLVED THAT:

1. the board of directors (the "**Board**") of Orsu Metals Corporation (the "**Corporation**") be and is hereby authorized and directed to adopt a joint share ownership plan substantially in the form set out in Schedule "A" to the management information circular of the Corporation dated as of April 15, 2011, subject to such changes and additions thereto as the Board may determine appropriate (including but not limited to changes to the structure of the shareholding of the shares (i.e. the joint share ownership plan may be structured so that a participant's interest in a share under the plan is a beneficial interest held jointly with the trustee of the employee benefit trust for the plan rather than a legal interest, or otherwise)), the Board being hereby authorized to make any and all such changes and additions as the Board may determine appropriate, the adoption by the Board of such plan to constitute conclusive evidence that the plan so adopted is the plan authorized by this resolution;
2. all unallocated securities, rights or other entitlements under the joint share ownership plan adopted by the Board are hereby approved, which approval shall be effective until May 18, 2014; and
3. any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents, agreements and instruments and to do all other acts and things as in the opinion of such director or officer may be necessary or desirable to implement the share ownership plan as contemplated in resolution 1 above and the matters authorized hereby, such determination to be

conclusively evidenced by the execution and delivery of any such document, agreement or instrument, or the taking of any such action.”

The Board recommends that shareholders vote in favour of the JOP Resolution. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE JOP RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

Amendment of Articles of Association – Delivery of Materials to Shareholders Electronically and/or via Website

The Corporation wishes, subject to applicable securities laws and the rules of any stock exchange on which the Corporation’s securities are listed or admitted to trading (collectively, the “**Applicable Requirements**”), to have the flexibility to supply its shareholders with any notices, documents or other information (including, but not limited to, its annual financial statements) by electronic delivery and/or by means of a website (“**Electronic Delivery**”). The Corporation believes that such delivery will be more cost effective and efficient, as compared to physical delivery.

Accordingly, shareholders will be asked at the Meeting to approve a resolution to amend the provisions set out in Regulation 21 of the Corporation’s Articles of Association to enable the Corporation, subject to the Applicable Requirements, to be able to deliver notices, documents and any other information to shareholders by Electronic Delivery (the “**Amendment**”).

Shareholders should note that, even if the Articles of Association Amendment Resolution (as defined below) is passed by the requisite majority of the votes required at the Meeting, the Corporation cannot begin to communicate with a shareholder via Electronic Delivery unless and until the Amendment is filed with the Registrar of Corporate Affairs in the British Virgin Islands and such shareholder has given, or is deemed to have given (as applicable), his, her or its individual consent to the receipt of materials via Electronic Delivery.

A notice is accompanying this Information Circular which provides instructions that registered shareholders may follow to confirm to the Corporation (via the website of Computershare Investor Services Inc./Computershare Trust Company of Canada: www.computershare.com/edelivery) that they wish to receive certain materials (including, but not limited to, the Corporation’s annual financial statements) from the Corporation by Electronic Delivery (the “**Computershare Letter**”). Registered shareholders should refer to the instructions in the Computershare Letter if they wish to receive materials from the Corporation by Electronic Delivery.

All shareholders should note that, subject to the Applicable Requirements, they will be deemed to consent to the supply of financial statements and other information via website on the 28th day following their receipt of this Information Circular unless they: (a) otherwise advise the Corporation that they wish to receive physical copies of the financial statements (which shareholders may do via the form of proxy, voting instruction form or other document provided for this purpose or by writing to the Company Secretary at the address specified below) or other documents of the Corporation; or (b) in the case of registered shareholders, advise the Corporation that they wish to receive documents via Electronic Delivery (by following the instructions in the Computershare Letter). If and as required, the Corporation will notify shareholders when documents or other information are available via website and provide shareholders with the website address and details of how to access the documents and information.

Shareholders should also note that, even if the requisite shareholder approval is obtained for the Articles of Association Amendment Resolution and consent is given or, if applicable, deemed to be given, by a shareholder, the ability of the Corporation to utilize Electronic Delivery as a means for delivering documentation to its shareholders will be subject to the Applicable Requirements and there may be specific circumstances in which the Corporation needs to send documents and information to shareholders in hard copy rather than by Electronic Delivery.

A shareholder may continue to receive applicable documentation from the Corporation in hard copy form: (a) in the case of the Corporation's financial statements, by requesting copies of such documents via the form of proxy, voting instruction form or other document provided for this purpose (and, in the case of registered shareholders, not signing up for Electronic Delivery of such documents via the Computershare Letter); or (b) by writing to the Company Secretary at the address specified below. Moreover, a shareholder may, in relation to a particular communication or document, request a hard copy form of that communication or document or, at any time, revoke his, her or its general agreement to be provided with documentation by Electronic Delivery by, as applicable, following the relevant instructions for doing so contained on Computershare's website or by delivering written notice of such revocation to the Corporation at:

Orsu Metals Corporation
1 Red Place
London, England
W1K 6PL

Attention: Tania Tchedaeva, Company Secretary

Tel.: 44 20 7518 3999
Fax: 44 20 7518 3998

Shareholder Approval

The text of the proposed resolution to approve the Amendment (the "**Articles of Association Amendment Resolution**") is as follows:

"BE IT RESOLVED THAT:

1. Regulation 21 of the Articles of Association of Orsu Metals Corporation (the "**Corporation**") be deleted in its entirety and replaced with the wording set out in Schedule "B" to the Corporation's management information circular dated as of April 15, 2011 ("**Schedule B**"); and
2. the Registered Agent of the Corporation be, and is hereby, authorised to take all necessary steps (including, but not limited to, producing consolidated constitutional documents with the language set out in Schedule "B" inserted thereto) and to file this resolution with the foregoing amendment with the Registrar of Corporate Affairs in the British Virgin Islands."

The approval of the Articles of Association Amendment Resolution will require the affirmative vote of a majority of the votes cast thereon at the Meeting and the Board recommends that shareholders vote in favour of the Articles of Association Amendment Resolution. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ARTICLES OF ASSOCIATION AMENDMENT RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY**

THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

EXECUTIVE COMPENSATION

The Corporation reports its financial results in United States dollars. Unless otherwise indicated, in this executive compensation disclosure, \$ and US\$ means United States dollars, CAD\$ means Canadian dollars and GBP£ means British Pounds Sterling.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's senior officers, being the identified named executive officers (the "NEOs") for 2010. As of December 31, 2010, the Corporation had three senior officers who qualified as NEOs, being Dr. Sergey V. Kurzin, Executive Chairman; Dr. Alexander Yakubchuk, Chief Operating Officer; and Mr. Petro Mychalkiw, Chief Financial Officer.

Compensation Committee

In order to assist the Board in fulfilling its oversight responsibilities with respect to human resources matters, the Board has established the Compensation Committee. During 2010, the Compensation Committee was comprised of three directors, namely Mr. Timothy Hanford (Chairman), Mr. Massimo Carello and Mr. Mark Corra, all of whom are "independent" within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"). On January 25, 2011, Mr. David Rhodes, an "independent" director of the Corporation within the meaning of NI 58-101, replaced Mr. Carello as a member of the Compensation Committee.

Under its written charter, the Compensation Committee's purpose is to: (i) evaluate the Executive Chairman's performance and, subject to any existing contractual obligations, determine (or make recommendations to the Board with respect to) the Executive Chairman's compensation level based on this evaluation; (ii) make general recommendations to the Board with respect to officers' extraordinary bonuses, director compensation, incentive compensation plans and equity-based plans; (iii) review executive compensation disclosure before the Corporation publicly discloses this information; and (iv) establish and maintain a succession plan for the Executive Chairman as well as oversee the Corporation's overall execution of its succession planning strategy. In performing its duties, the Compensation Committee has the authority to engage independent counsel and other advisors including, without limitation, executive compensation consulting firms, that it considers necessary to carry out its duties.

Compensation Process

The Compensation Committee relies on the knowledge and experience of the members of the Compensation Committee to set appropriate levels of compensation for NEOs. Neither the Corporation nor the Compensation Committee currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of NEO or director compensation.

When devising their recommendations to the Board regarding executive compensation, the members of the Compensation Committee evaluate the NEO's performance, including reviewing the Corporation's performance as against its business plans and the NEO's achievements during the fiscal year. The

Compensation Committee uses all data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Compensation Committee does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Compensation Committee's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Corporation's business strategy, best practices/trends in human resources, and general economic conditions.

As necessary, the Compensation Committee reviews the various elements of the NEO compensation in the context of the total compensation package (including salary, cash incentives, prior awards under the Option Plan and benefits) and recommends the NEOs' compensation packages. The Compensation Committee's recommendations regarding NEO compensation are presented to the Board for their consideration and approval. In addition, the Executive Chairman may also make recommendations to the Compensation Committee relating to remuneration policy and executive compensation.

From time to time, the Board grants stock options as part of an NEO's compensation upon appointment of such officer and may also make such grants in connection with the completion of corporate restructuring transactions, financings or other events. The Board determines the particulars with respect to all options granted, including the exercise price of the options. The exercise price of the options awarded under the Option Plan has generally been the closing market price of the Common Shares on the day preceding the grant or higher.

As set out above in the section "*Approval of Joint Share Ownership Plan*", the Board has approved the implementation of the JOP, subject to its approval by shareholders at the Meeting. The JOP is intended to serve as an important element in the future compensation of the Corporation's officers, including the NEOs. The JOP is structured to work in parallel with the granting of stock options pursuant to the Option Plan and, if the JOP is implemented, the number of securities issuable to NEOs under each such plan will be connected to the number of securities granted under the other plan, as the terms of the JOP provide that the number of JOP Shares and the number of Common Shares issuable pursuant to any outstanding options or awards made pursuant to the Option Plan (or under any other security-based compensation arrangements of the Corporation) must not, on an aggregate basis, exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time.

No compensation was paid to NEOs in connection with the JOP during the year ended December 31, 2010. Please see "*Approval of Joint Share Ownership Plan*" above for further information relating to the potential compensation to be paid to NEOs pursuant to the proposed JOP (if implemented).

Compensation Program

Principles/Objectives of the Compensation Program

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level while aligning the interests of the NEOs with the Corporation's shareholders. The program is designed to ensure that the compensation provided to the NEOs is determined with regard to the Corporation's business strategy and objectives and within the financial resources of the Corporation and to align the financial interests of the NEOs with the financial interests of the Corporation's shareholders.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the NEOs are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary	Attract, Retain and Reward	Competitive pay is intended to ensure access to and retention of skilled employees necessary to achieve corporate objectives.
Cash Incentives/Bonus Payments	Motivate and Reward	Cash incentives and/or bonus payments are intended to focus senior officers on the achievement of corporate objectives and reward exceptional performance.
Stock Options	Motivate and Reward Align interests with shareholders	Grants of stock options are intended to motivate and reward senior officers through the marketplace for the achievement of long-term corporate strategies and objectives, thereby increasing shareholder value. Interests of NEOs are intended to be further aligned with shareholders and corporate objectives as the value of stock options granted is linked to the market value of the Common Shares.
Benefits	Attract and Retain	Competitive benefits are intended to ensure access to and retention of skilled employees necessary to achieve corporate objectives.

2010 Performance and Compensation

The Corporation is a precious and base metals exploration and development company. Given the early stage of the Corporation's exploration of its mineral properties, the Compensation Committee believes that the use of traditional performance standards, such as corporate profitability, is not appropriate in the evaluation of corporate or NEO performance. The compensation of NEOs is based, in substantial part, on trends in the junior mineral exploration industry as well as the achievement of the Corporation's business objectives. The Compensation Committee did not establish any quantifiable criteria in 2010 with respect to base salaries and incentives payable or the amount of equity compensation granted to NEOs.

Base Salaries

The Corporation provides NEOs with base salaries which represent their minimum compensation for services rendered during the fiscal year. NEOs' base salaries are determined based on the scope of the relevant individual's experience, responsibilities, leadership skills, performance and length of service as well as general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

See the section “*Executive Compensation: Tables and Narrative - Summary Compensation Table*” for information relating to the base salaries paid to NEOs during 2010.

Cash Incentives and Bonus Payments

The Corporation has established a cash incentive program (the “**Bonus Plan**”) for the purposes of recognizing outstanding individual performance and achievement. The Corporation believes that the Bonus Plan is necessary for the Corporation to remain competitive from a total remuneration standpoint. As a result, the Compensation Committee has been provided with the discretion to award bonuses when NEOs demonstrate exceptional performance and when the Corporation is in the financial position to make such awards.

No cash incentives or bonus payments were made in 2010.

Stock Options

The grant of options to purchase Common Shares pursuant to the Option Plan is an integral component of the compensation of the NEOs over the long term. The Compensation Committee believes that the grant of options to NEOs and Common Share ownership by such officers serves to motivate achievement of the Corporation’s long-term strategic objectives and the result will benefit all shareholders of the Corporation. Options are awarded by the Board based upon the recommendations of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of each individual toward the Corporation’s goals and objectives. Among other things, the Compensation Committee considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options to NEOs and the size of such grants. See “*Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan*” below for a detailed description of the Option Plan.

The following options were granted to NEOs in the financial year ended December 31, 2010:

Name and Principal Position	Date of grant	Number of options	Exercise Price	Expiry Date
Dr. S. V. Kurzin Executive Chairman	April 16, 2010	2,500,000	CAD\$0.25	April 16, 2015
Dr. A. Yakubchuk Chief Operating Officer	April 16, 2010	2,500,000	CAD\$0.25	April 16, 2015
P. Mychalkiw Chief Financial Officer	April 16, 2010	1,500,000	CAD\$0.25	April 16, 2015

All such options vest as to one quarter on each of the following dates: October 16, 2010, April 16, 2011, October 16, 2011 and April 16, 2012.

In addition, the following options were forfeited by NEOs in the financial year ended December 31, 2010:

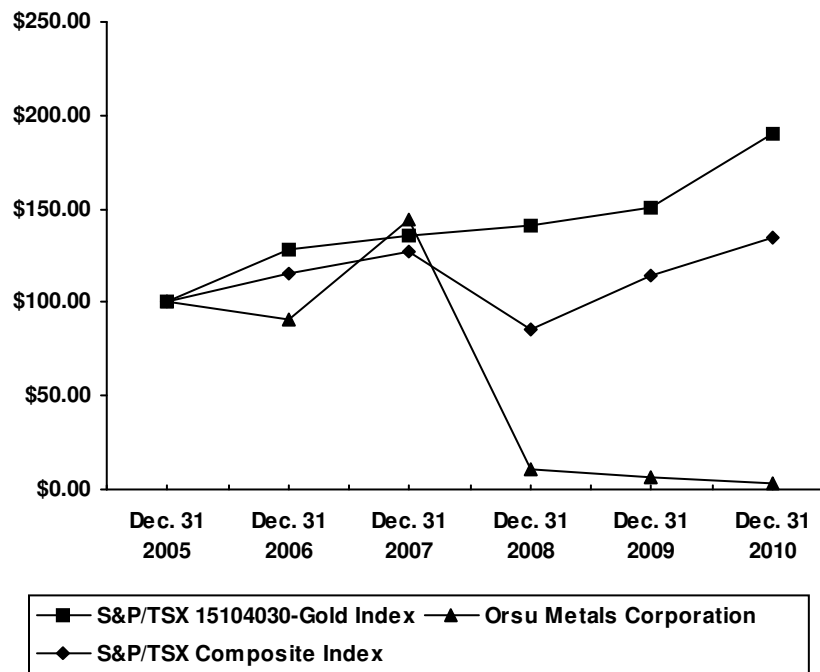
Name and Principal Position	Date of cancellation	Number of options	Exercise Price	Expiry Date
Dr. S. V. Kurzin Executive Chairman	December 7, 2010	100,000 400,000	CAD\$3.50 CAD\$8.30	July 24, 2011 July 12, 2015
Dr. A. Yakubchuk Chief Operating Officer	December 7, 2010	100,000 150,000	CAD\$5.30 CAD\$8.30	January 18, 2013 July 12, 2015
P. Mychalkiw Chief Financial Officer	December 7, 2010	175,000	CAD\$8.30	July 12, 2015

Benefits and Perks

The NEOs are eligible to participate in the same benefits as are offered to all full-time employees. This includes participation in a traditional employee benefit plan consisting of health and dental care. The Corporation does not view these benefits as a significant element of its compensation structure, as they constitute only a small percentage of total compensation, but does believe that these benefits, used in conjunction with base salary, attract and retain individuals in a competitive environment.

Share Performance Graph

The following graph illustrates the Corporation's cumulative shareholder return (assuming the re-investment of dividends, of which there have been none) from December 31, 2005 to December 31, 2010, based upon a CAD\$100 investment made on December 31, 2005 in the Common Shares, and compares the Corporation's cumulative shareholder return to the cumulative total shareholder return from a similar investment in the Total Return Index Values of the S&P/TSX Composite Index and the S&P/TSX Gold (15104030) Index over the same period. The information contained in the graph relating to the period from December 31, 2005 to December 31, 2008 (inclusive) has been adjusted to give effect to the consolidation of the Common Shares on a ten-for-one basis which occurred on November 24, 2009 (the "Consolidation").



*Amounts reflected in table above are in Canadian dollars.

As described above, the Compensation Committee considers, as necessary, various factors in determining the compensation of the NEOs. The Common Share performance is one performance measure that is reviewed but there is no direct correlation between Common Share performance and executive compensation.

The Corporation operates in a commodities-related business and the Common Share price is directly impacted by the market price of commodities (particularly copper and gold), which may fluctuate widely

and are affected by numerous factors that are difficult to predict and beyond the Corporation's control. The Common Share price is also affected by other factors beyond the Corporation's control, including general and industry-specific economic and market conditions. The Compensation Committee evaluates performance by reference to its business plan rather than by short-term changes in the Common Share price based on its view that its long-term operating performance will be reflected by stock price performance over the long-term, which is especially important when current stock prices may be temporarily depressed by short-term factors, such as recessionary economies.

The trend shown by the performance graph represents a general increase in the cumulative shareholder return until December 31, 2007, a sharp decline in cumulative total shareholder return in 2008, and a further, but more moderate (as compared to the decline during 2008), decline in 2009 and 2010. The Common Share price declined through the third quarter of 2008 as the price of copper fell precipitously. Further downward pressure was placed on the Corporation's stock in 2008 and during the first three quarters of 2009 as a result of delays in ramping up to commercial production levels at the Corporation's then-owned Varvarinskoye gold-copper mine in Kazakhstan (the "**Varvarinskoye Project**") and the volatility and general decline in the global credit markets in conjunction with the uncertainty over the need to both re-finance the Corporation's then existing debt facilities as well as the need for additional capital. During the first half of 2009, the Corporation continued to negotiate the restructuring of its outstanding debt and hedging obligations relating to the Varvarinskoye Project; however, a satisfactory arrangement was not reached. As a result, the Corporation entered into a sale and purchase agreement with Joint Stock Company Polymetal in June, 2009, pursuant to which the disposition of the Varvarinskoye Project was completed in October, 2009. Also during 2009 and the first half of 2010, a class action claim (originally initiated against the Corporation's predecessor, European Minerals Corporation ("**EMC**"), and certain officers of EMC) continued against the Corporation and its former Chief Executive Officer, William G. Kennedy, and former Chief Financial Officer, James Cole, pursuant to which general and special damages in the amount of CAD\$50,000,000 and punitive damages in the amount of CAD\$5,000,000 were claimed (the "**Claim**"). On November 27, 2009, the Corporation announced that it had reached an agreement to settle the Claim for CAD\$2.2 million, to be shared equally between the Corporation and the Corporation's insurer (the "**Settlement**"). The Settlement became effective on March 22, 2010 following the expiry of a 30-day appeal period with no appeals having been received by the Corporation. Individual class members had the right to opt out of the Settlement during an opt-out period, which expired on June 7, 2010. No class members opted out and the Settlement was finalized and, under the terms of the Settlement, the Claim was dismissed. The Corporation's management believes that the uncertainty surrounding the Settlement continued to place downward pressure on the Common Share price during 2009 and the first half of 2010. The Common Share price recovered during the second half of 2010, following the trends in global capital markets and commodities markets, which the Corporation's management believes reflects a recognition of the progress made by the Corporation in advancing its exploration and development assets in Kazakhstan and Kyrgyzstan during this time.

Executive compensation over the three-year period until 2008 generally increased, with the increase in 2008 being disproportionate as a result of termination payments (the "**Termination Payments**") made to former executive officers of the Corporation in connection with the completion of the acquisition by the Corporation of Lero Gold Corp. ("**Lero**") in June, 2008 (the "**Lero Transaction**"). During 2009, executive compensation decreased as a result of all officers of the Corporation, including the NEOs, agreeing to a reduction in their respective salaries commencing in October 2009 due to the limited financial resources available to the Corporation at the time and the impending sale of the Varvarinskoye Project. In 2010, remuneration generally did not change. Given the changeover in the Corporation's executive management during 2008, the anomalous nature of the Termination Payments, the difficult conditions faced by the Corporation in 2009 and the fact that remuneration generally did not change in 2010, the Board does not believe that a meaningful comparison can be made between the Corporation's

cumulative shareholder return and the Corporation's executive compensation program during this time period (except to the extent that the reductions in salary in the fourth quarter of 2009 demonstrate the Board's decision to adjust executive compensation in light of the Corporation's financial condition during such period).

Executive Compensation: Tables and Narrative

Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs for services rendered in all capacities during the fiscal years ended December 31, 2008, 2009 and 2010:

Name and Principal Position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation Annual Incentive Plan (US\$)	All other Compensation (US\$)	Total Compensation (US\$)
Dr. S. V. Kurzin⁽¹⁾ Executive Chairman	2010	\$231,660 ⁽⁴⁾	N/A	\$440,343 ⁽⁸⁾	Nil	Nil	\$672,003
	2009	\$381,834 ⁽⁵⁾⁽⁶⁾	N/A	Nil	Nil	Nil	\$381,834
	2008	\$319,964 ⁽⁷⁾	N/A	\$1,475,704 ⁽⁹⁾	\$176,016 ⁽⁷⁾⁽¹¹⁾	Nil	\$1,971,684
Dr. A. Yakubchuk⁽²⁾ Chief Operating Officer	2010	\$231,660 ⁽⁴⁾	N/A	\$440,343 ⁽⁸⁾	Nil	Nil	\$672,003
	2009	\$258,473 ⁽⁵⁾⁽⁶⁾	N/A	Nil	Nil	Nil	\$258,473
	2008	\$180,648 ⁽⁷⁾	N/A	\$1,056,612 ⁽¹⁰⁾	\$111,168 ⁽⁷⁾⁽¹¹⁾	Nil	\$1,348,428
P. Mychalkiw⁽³⁾ Chief Financial Officer	2010	\$185,328 ⁽⁴⁾	N/A	\$264,205 ⁽⁸⁾	Nil	Nil	\$449,533
	2009	\$223,226 ⁽⁵⁾⁽⁶⁾	N/A	Nil	Nil	Nil	\$223,226
	2008	\$178,536 ⁽⁷⁾	N/A	\$645,621 ⁽⁹⁾	\$120,432 ⁽⁷⁾⁽¹¹⁾	Nil	\$944,589

Notes:

- (1) Dr. Kurzin became a director of the Corporation and was appointed as the Executive Chairman of the Corporation on June 18, 2008. Prior to the Lero Transaction, Dr. Kurzin was a director and the Executive Chairman of Lero. Amounts reported: (a) for 2008, include compensation paid and payable to Dr. Kurzin for all services rendered to the Corporation and Lero in 2008; and (b) for 2009 and 2010, include compensation paid and payable to Dr. Kurzin for all services rendered to the Corporation in 2009 and 2010, respectively.
- (2) Dr. Yakubchuk became a director of the Corporation on June 18, 2008 and succeeded the then Chief Executive Officer of the Corporation. On July 18, 2008, Dr. Yakubchuk's office held with the Corporation was changed to Director of Exploration, and on November 12, 2009, Dr. Yakubchuk's office held with the Corporation was changed to Chief Operating Officer; however, Dr. Yakubchuk has throughout this time continued to act, in part, in the capacity of the Chief Executive Officer of the Corporation. Prior to the Lero Transaction, Dr. Yakubchuk was the Chief Executive Officer of Lero. Amounts reported: (a) for 2008, include compensation paid and payable to Dr. Yakubchuk for all services rendered to the Corporation and Lero in 2008; and (b) for 2009 and 2010, include compensation paid and payable to Dr. Yakubchuk for all services rendered to the Corporation in 2009 and 2010, respectively.
- (3) Mr. Mychalkiw became the Chief Financial Officer of the Corporation on June 18, 2008. Prior to the Lero Transaction, Mr. Mychalkiw was the Chief Financial Officer of Lero. Amounts reported: (a) for 2008, include compensation paid and payable to Mr. Mychalkiw for services rendered to the Corporation and Lero in 2008; and (b) for 2009 and 2010, include compensation paid and payable to Mr. Mychalkiw for services rendered to the Corporation in 2009 and 2010, respectively.
- (4) The average 2010 conversion rate used for GBP£/US\$ = 1.5444.
- (5) The average 2009 conversion rate used for GBP£/US\$ = 1.5665.
- (6) In connection with the Corporation's focus during 2009 on reducing the Corporation's overhead costs, the base salaries of Dr. Kurzin, Dr. Yakubchuk and Mr. Mychalkiw were reduced effective October 1, 2009.
- (7) The average 2008 conversion rate used for GBP£/US\$ = 1.8528.
- (8) On April 16, 2010, each of Drs. Kurzin and Yakubchuk was granted 2,500,000 options and Mr. Mychalkiw was granted 1,500,000

options, each such option having an exercise price of CDN\$0.25. All such options vest as to one quarter on each of the following dates: October 16, 2010, April 16, 2011, October 16, 2011 and April 16, 2012; and expire on April 16, 2015. The amounts in the table above represent the grant date fair value of such options. The grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$0.24 (using the U.S. conversion rate of 1.0128 on that date), with the key valuation assumptions being stock price volatility of 135.63%, risk free interest rate of 2.37%, no dividend yield, and expected life of 2.76 years.

- (9) The amounts in the table above represent the grant date fair value of the options awarded in 2008 to Dr. Kurzin and Mr. Mychalkiw. The grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$0.84 (using the U.S. conversion rate of 1.0099 on that date), with the key valuation assumptions being stock price volatility of 65.19%, risk free interest rate of 4.00%, no dividend yield, and expected life of 2.76 years.
- (10) Dr. Yakubchuk was granted options on January 18 and July 11, 2008 and the aggregate amount reported represents the grant date fair value of such options. The grant date fair value of the options granted on January 18, 2008 was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$1.03 (using the U.S. conversion rate of 1.0127 on that date) with the key valuation assumptions being stock price volatility of 65.19%, risk free interest rate of 4.00%, no dividend yield, and expected life of 2.76 years. The grant date fair value of the options granted on July 11, 2008 was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$0.84 (using the U.S. conversion rate of 1.0099 on that date), with the key valuation assumptions being stock price volatility of 65.19%, risk free interest rate of 4.00%, no dividend yield, and expected life of 2.76 years.
- (11) Includes the dollar value of annual bonus payments paid in relation to the completion of the Lero Transaction.

Incentive Plan Awards

The following table provides details regarding outstanding NEO option-based and share-based awards, as applicable, as at December 31, 2010:

<i>Outstanding option-based awards and share-based awards</i>							
	Option-based Awards					Share-based Awards	
Name	Date of Grant ⁽¹⁾	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dr. S.V. Kurzin	April 16, 2010	2,500,000	CAD\$0.25	April 16, 2015	\$231,795 ⁽²⁾	N/A	N/A
Dr. A. Yakubchuk	April 16, 2010	2,500,000	CAD\$0.25	April 16, 2015	\$231,795 ⁽²⁾	N/A	N/A
P. Mychalkiw	April 16, 2010	1,500,000	CAD\$0.25	April 16, 2015	\$139,077 ⁽²⁾	N/A	N/A

Notes:

- (1) Options granted in 2010 have partially vested.
- (2) These options were in-the-money on December 31, 2010 (based on the closing price of the Common Shares on the TSX of CAD\$0.34 on this date) and the amounts set out in the table above represent the difference between (i) the market value of the Common Shares underlying the options as at December 31, 2010, and (ii) the exercise price of the options. The average 2010 conversion rate used for CAD\$/US\$ = 1.0302.

Please see “*Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan*” below for details regarding the Option Plan.

The following table provides details regarding outstanding NEO option-based awards, share-based awards and non-equity incentive plan compensation, as applicable, which vested and/or were earned during the year ended December 31, 2010:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year ⁽¹⁾ (US\$)	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
Dr. S.V. Kurzin	\$57,949	N/A	Nil
Dr. A. Yakubchuk	\$57,949	N/A	Nil
P. Mychalkiw	\$34,770	N/A	Nil

Note:

- (1) Intended to identify the aggregate dollar value that would have been realized by the NEO if the NEO had exercised all vested options exercisable under the option-based award on the vesting date(s) thereof (being, with respect to the relevant options, the difference between (i) the market price of the Common Shares on the assumed exercise date, and (ii) the exercise price of such options). The average 2010 conversion rate used for CAD\$/US\$ = 1.0302.

Termination and Change of Control Benefits

All NEOs as at December 31, 2010 (being Drs. Kurzin and Yakubchuk and Mr. Mychalkiw) have executive employment agreements with the Corporation. Each such NEO's appointment will continue for an indefinite period, terminable by either party on six months' written notice to the other. NEOs are entitled to receive a basic salary payable in equal monthly instalments, be eligible for a discretionary bonus and be reimbursed for all travel, hotel, and other out-of-pocket expenses reasonably incurred. They also receive statutory holiday and sick pay entitlement which is calculated *pro rata* and are subject to certain post-employment restrictions.

Each of the above-mentioned executive employment agreements provide for payment to be made to such NEOs upon a "change of control" of the Corporation. For the purposes of such agreements, a "change of control" occurs if a person who controls the Corporation ceases to do so or another person acquires control of it, but a "change of control" will not occur if there is an internal reorganisation of the Corporation or if there is a transfer of the Corporation's business. "Control" means the power of a person to secure that the affairs of the Corporation are conducted in accordance with the wishes of that person (or persons): (i) by means of the holding of shares, or the possession of voting power, in or in relation to, the Corporation or any other body corporate; or (ii) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating the Corporation or any other body corporate.

Under the executive employment agreement dated October 12, 2008 between the Corporation and Dr. Sergey Kurzin, Dr. Kurzin is entitled to receive a sum equal to 300% of his annual basic salary in the event of a "change of control". Such payment must be made within one month of the "change of control".

Under the executive employment agreement dated December 12, 2008 between the Corporation and Dr. Alexander Yakubchuk (as amended), Dr. Yakubchuk was or is, as the case may be, entitled to receive a sum equal to: 100% of his annual basic salary in the event of a "change of control" during 2010; and 250% of his annual basic salary in the event of a "change of control" following April 1, 2011. Such payment must be made within one month of the "change of control".

Under the executive employment agreement dated December 12, 2008 between the Corporation and Mr. Petro Mychalkiw, Mr. Mychalkiw was or is, as the case may be, entitled to receive a sum equal to: 100% of his aggregate total salary from the Corporation and its subsidiaries ("**Total Salary**") in the event of a "change of control" during 2010; and 200% of his Total Salary in the event of a "change of control" following December 31, 2010. Such payment must be made within one month of the "change of control".

Assuming that a “change of control” (as defined above) had occurred on December 31, 2010, the existing NEOs would have been entitled to the following payments pursuant to their respective executive employment agreements: Dr. Kurzin, *GBP£450,000 (US\$694,980)*; Dr. Yakubchuk, *GBP£375,000 (US\$579,150)*; and Mr. Mychalkiw, *GBP£240,000 (US\$370,656)*. The foregoing U.S. dollar amounts are based on an exchange rate of 1.5444 for GBP£ to US\$ as of December 31, 2010.

Director Compensation

Pursuant to the current director compensation program established by the Compensation Committee, non-executive directors are each paid an annual retainer in the amount of GBP£18,000 (US\$27,799, using the average 2010 conversion rate for GBP£ to US\$ of 1.5444). No meeting fees are paid for the Board meetings or committee meetings attended. Directors are also reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may also receive options granted under the Option Plan as recommended by the Compensation Committee and determined by the Board. Among other things, the Compensation Committee considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options to directors and the size of such grants. The exercise price of such options is determined by the Board, but shall in no event be less than the market price of the Common Shares on the day prior to the date on which the grant of the options is made. Please see “*Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan*” below for a detailed description of the Option Plan.

Directors are also entitled to receive compensation to the extent that they have provided services other than in their capacity as a director or officer of the Corporation to the Corporation at rates that would otherwise be charged by such directors for such services to arm’s length parties or less. During the financial year ended December 31, 2010, there were no additional fees paid to directors for such additional services.

Director Summary Compensation Table

The following compensation table sets out the compensation paid to each of the Corporation’s directors (who were not NEOs) during the year ended December 31, 2010:

Name ⁽¹⁾	Fees earned (US\$)	Share-based awards (\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	All other Compensation (\$)	Total (US\$)
Massimo Carello	\$27,799 ⁽⁴⁾	N/A	\$132,103 ⁽⁵⁾	N/A	N/A	\$159,902
Mark Corra	\$27,799 ⁽⁴⁾	N/A	\$132,103 ⁽⁵⁾	N/A	N/A	\$159,902
Timothy Hanford ⁽²⁾	\$27,799 ⁽⁴⁾	N/A	\$132,103 ⁽⁵⁾	N/A	N/A	\$159,902
David Rhodes ⁽³⁾	\$2,031 ⁽⁴⁾	N/A	\$113,234 ⁽⁶⁾	N/A	N/A	\$115,265

Notes:

- (1) Dr. Sergey V. Kurzin and Dr. Alexander Yakubchuk are current directors and officers of the Corporation. Any amounts received by Dr. Kurzin and Dr. Yakubchuk for their services as directors during 2010 are reported in the Summary Compensation Table under “*Executive Compensation: Tables and Narrative*” above.
- (2) Director’s fees payable to Mr. Hanford were paid to Vitae Trading Company Limited, a corporation beneficially owned by Mr. Hanford.
- (3) Mr. Rhodes was appointed Non-Executive Director of the Corporation on December 7, 2010.

- (4) The average 2010 conversion rate used for GBP£/US\$ = 1.5444.
- (5) On April 16, 2010, each of Messrs. Carello, Corra and Hanford was granted 750,000 options, each such option having an exercise price of CAD\$0.25. All such options vest as to one quarter on each of the following dates: October 16, 2010, April 16, 2011, October 16, 2011 and April 16, 2012; and expire on April 16, 2015. The grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$0.24 (using the U.S. conversion rate of 1.0128 on that date), with the key valuation assumptions being stock price volatility of 135.63%, risk free interest rate of 2.37%, no dividend yield, and expected life of 2.76 years.
- (6) On December 7, 2010, Mr. Rhodes was granted 500,000 options having an exercise price of CAD\$0.30. All such options vest as to one quarter on each of the following dates: June 7, 2011, December 1, 2011, June 7, 2012 and December 7, 2012. The grant date fair value was calculated in accordance with the Black-Scholes model using the Common Share price on the date of grant of CAD\$0.30 (using the U.S. conversion rate of 1.0069 on that date), with the key valuation assumptions being stock price volatility of 139.95%, risk free interest rate of 1.52%, no dividend yield, and expected life of 2.76 years.

Incentive Plan Awards

The following table provides details regarding the outstanding option-based and share-based awards, as applicable, held by individuals who acted as directors (and are not NEOs) during the year ended December 31, 2010 as at the year-end:

<i>Outstanding option-based awards and share-based awards</i>							
Name	Option-based Awards					Share-based Awards	
	Option grant date	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Massimo Carello	Sept. 25, 2008	30,000 ⁽¹⁾	CAD\$2.40	Sept. 25, 2015	Nil ⁽⁴⁾	N/A	N/A
	April 16, 2010	750,000 ⁽²⁾	CAD\$0.25	April 16, 2015	\$69,539 ⁽⁵⁾		
Mark Corra	April 16, 2010	750,000 ⁽²⁾	CAD\$0.25	April 16, 2015	\$69,539 ⁽⁵⁾	N/A	N/A
Timothy Hanford	April 16, 2010	750,000 ⁽²⁾	CAD\$0.25	April 16, 2015	\$69,539 ⁽⁵⁾	N/A	N/A
David Rhodes	Dec. 7, 2010	500,000 ⁽³⁾	CAD\$0.30	Dec. 7, 2015	\$20,604 ⁽⁶⁾	N/A	N/A

Notes:

- (1) Options granted in 2008 have fully vested. The Consolidation resulted in an adjustment to the exercise price and to the number of Common Shares that are issuable upon exercise of these options. The exercise price of each of the options has been multiplied by ten (10) and the number of Common Shares that are issuable in connection with each whole option has been divided by ten (10).
- (2) One-quarter of the options granted to Messrs. Carello, Corra and Hanford in 2010 have vested.
- (3) The options granted to David Rhodes in December 2010 have not yet vested.
- (4) Options granted in 2008 were not in-the-money on December 31, 2010 (based on the closing price of the Common Shares on the TSX of CAD\$0.34 on this date).
- (5) Options granted in April 2010 were in-the-money on December 31, 2010 (based on the closing price of the Common Shares on the TSX of CAD\$0.34 on this date) and the amounts set out in the table above represent the difference between (i) the market value of the Common Shares underlying the options as at December 31, 2010, and (ii) the exercise price of the options. The average 2010 conversion rate used for CAD\$/US\$ = 1.0302.
- (6) Options granted in December 2010 were in-the-money on December 31, 2010 (based on the closing price of the Common Shares on the TSX of CAD\$0.34 on this date) and the amount set out in the table above represents the difference between (i) the market value of the Common Shares underlying the options as at December 31, 2010, and (ii) the exercise price of the options. The average 2010 conversion rate used for CAD\$/US\$ = 1.0302.

The following table provides details regarding outstanding director option-based awards, share-based awards and non-equity incentive plan compensation, as applicable, which vested and/or were earned by directors (who were not NEOs) during the year ended December 31, 2010:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year ⁽¹⁾ (US\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Massimo Carello	\$17,385	N/A	N/A
Mark Corra	\$17,385	N/A	N/A
Timothy Hanford	\$17,385	N/A	N/A
David Rhodes	Nil	N/A	N/A

Note:

- (1) Intended to identify the aggregate dollar value that would have been realized by the director if the director had exercised all vested options exercisable under the option-based award on the vesting date(s) thereof (being, with respect to the relevant options, the difference between (i) the market price of the Common Shares on the assumed exercise date, and (ii) the exercise price of such options). The average 2010 conversion rate used for CAD\$/US\$ = 1.0302.

Please see “*Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan*” below for details regarding the Option Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2010 with respect to Common Shares that may be issued pursuant to options granted under the Option Plan, the Corporation’s only equity compensation plan as at that date:

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 ⁽¹⁾
Equity compensation plans approved by securityholders	14,707,500	CAD\$0.45	1,062,104
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	14,707,500	CAD\$0.45	1,062,104

Note:

- (1) The maximum aggregate number of Common Shares which may be issued under the Option Plan is equal to 10% of the aggregate number of Common Shares (calculated on a non-diluted basis) outstanding from time to time. Pursuant to the terms of the JOP (if implemented), the number of JOP Shares together with the number of Common Shares issuable pursuant to any outstanding options or awards granted pursuant to the Option Plan (or under any other security-based compensation arrangement of the Corporation) must not, on an aggregate basis, exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time.

Stock Option Plan

The following is a summary of the material terms of the Option Plan, as amended and restated by the Board on June 9, 2009.

- The aggregate number of Common Shares which may be issued under the Option Plan must not exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a

non-diluted basis) from time to time. Any option granted under the Option Plan which has been exercised will again be available for subsequent grant under the Option Plan, effectively resulting in a re-loading of the number of Common Shares available for grant under the Option Plan. Any Common Shares subject to an option granted under the Option Plan, which for any reason is surrendered, cancelled or terminated or expires without having been exercised, will again be available for subsequent grant under the Option Plan. As at the date hereof, the number of Common Shares issuable on the exercise of options must not exceed 15,769,604 Common Shares. Options to purchase 14,782,500 Common Shares (representing approximately 9.37% of the Corporation's currently issued and outstanding Common Shares) have been granted and are currently outstanding under the Option Plan, leaving an additional 987,104 Common Shares (representing approximately 0.63% of the Corporation's currently issued and outstanding Common Shares) available for issuance pursuant to grants of options under the Option Plan.

Pursuant to the terms of the JOP (if implemented), the number of JOP Shares together with the number of Common Shares issuable pursuant to any outstanding options or awards granted pursuant to the Option Plan (or under any other security-based compensation arrangement of the Corporation) must not, on an aggregate basis, exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time.

- Options may be granted under the Option Plan to any director, officer or employee of the Corporation or any affiliate of the Corporation, any other service provider (as that term is defined in the Option Plan) that provides management or consulting services to the Corporation (each, an “**Eligible Person**”), or a corporation controlled by an Eligible Person. The maximum number of Common Shares which may be reserved for issuance to any one person under the Option Plan or any other security based compensation arrangement of the Corporation (which will include the JOP, if implemented) is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis). Subject to regulatory and shareholder approval, the maximum number of Common Shares which may be reserved for issuance under the Option Plan, together with any other security based compensation arrangement of the Corporation (which will include the JOP, if implemented), to insiders must not exceed 10% of the issued and outstanding Common Shares, and no one insider (or such insider's associates) in any one-year period may receive options for Common Shares that exceed 5% of the issued and outstanding Common Shares.
- The exercise price of an option must be determined by the Board of Directors or a duly authorized committee of the Board, in their discretion, but cannot be less than the closing sale price of the Common Shares on the trading day immediately preceding the day upon which the option is granted. The Board may set the option price in any currency, provided that the option price be calculated on the basis of the applicable Canadian exchange rate on the date of grant. The Board of Directors may also, in its entire discretion at the time of granting an option, determine that provisions relating to the vesting of such option be contained in the written option agreement between the Corporation and the optionee.
- Except as may be specifically provided for in the Option Plan, options granted under the Option Plan are non-transferable and non-assignable and may be exercised during a period not exceeding ten (10) years, subject to earlier termination in particular circumstances. Pursuant to the amendment provision of the Option Plan, the Board has the authority to amend the assignability and transferability provisions of the Option Plan generally or any options granted to any particular optionee.

- If the termination date of an option falls during or within three business days of a blackout period, during which the policy of the Corporation prevents certain persons from trading in the securities of the Corporation, the expiry date for the option will be extended for an additional period expiring on the tenth (10th) trading day following the end of the blackout period.
- Generally, an option and all rights to purchase Common Shares pursuant thereto must expire and terminate immediately upon the optionee who holds such option ceasing to be a director, officer, employee or other eligible service provider of the Corporation.
- However, the Board of Directors may, in its entire discretion, at the time of the granting of options under the Option Plan, determine that additional provisions relating to entitlement upon an optionee ceasing to be an Eligible Person under the Option Plan be contained in the written option agreement between the Corporation and the optionee. An option agreement may provide that where an optionee retires, or terminates his or her employment or directorship with the consent of the Board of Directors under circumstances equating to retirement, while holding an option which has not been fully exercised, such optionee may exercise the option at any time within six (6) months of the date of such retirement or termination equating to retirement, but only to the same extent to which the optionee could have exercised the option immediately before the date of such retirement or termination equating to retirement. An option agreement may also provide that where an optionee ceases to serve the Corporation or any affiliate, as the case may be, as an employee, officer, service provider or director for cause, no option held by such optionee may be exercised following the date on which such optionee ceases to serve the Corporation or any affiliate, as the case may be, in such capacity. If an optionee ceases to serve the Corporation or any affiliate as an employee, officer, service provider or director for any reason other than for cause, unless otherwise provided for in the Option Plan, no option held by such optionee at the effective date thereof may be exercised by the optionee following the date which is ninety (90) days after the date on which the optionee ceases to serve the Corporation or any affiliate, as the case may be, in such capacity. An option agreement may further provide that, in the event that an optionee commits an act of bankruptcy or any proceeding is commenced against the optionee under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy and such proceeding remains undismissed for a period of thirty (30) days, no option held by such optionee may be exercised following the date on which such optionee commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.
- If an optionee dies holding an option which has not been fully exercised, his or her personal representatives, heirs or legatees may, at any time up to and including, but not after the earlier of (a) the expiry of one year from the date of such death or (b) the expiry date of the option, exercise the option with respect to the unexercised balance of the Common Shares subject to the option but only to the same extent to which the deceased optionee could have exercised the option immediately before the date of death.
- The Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger, consolidation, amalgamation or other relevant changes in the Corporation's capitalization.
- The Board of Directors may at any time by resolution terminate the Option Plan. In the event of the termination of the Option Plan by the Board of Directors, all options then outstanding and granted to an optionee may be exercised by the optionee for a period of thirty (30) days after the date on which the Corporation must have notified all optionees of the termination of the Option

Plan, but only to the same extent as the optionee could have exercised such options immediately prior to the date of such notification.

- The Board has the power and authority to approve any amendments to the Option Plan and outstanding options granted thereunder at any time without shareholder approval, except that, in the event that on the date of any such amendment the Common Shares are listed on the TSX, the following amendments will be subject to shareholder approval:
 1. an increase to the Option Plan's maximum or the number of securities reserved for issuance under the Option Plan;
 2. amendment provisions granting additional powers to the Board to amend the Option Plan or entitlements thereunder;
 3. a reduction in the exercise price of options or other entitlements held by insiders;
 4. an extension to the term of options held by insiders; and
 5. changes to the insider participation limits of the Option Plan which result in shareholder approval being required on a disinterested basis.

By way of example, the Board may, without the consent of the shareholders, make amendments with respect to, among other things: complying with the requirements of any applicable regulatory authority; complying with the rules, policies and notices of the TSX or of any stock exchange on which the Corporation's securities are listed; altering, extending or accelerating the terms and conditions of vesting of options; extending the terms of options held by non-insiders; repricing options held by non-insiders; determining, subject to regulatory requirements, that the provisions in the Option Plan concerning the effect of a termination of an optionee's status as an Eligible Person under the Option Plan do not apply; accelerating the expiry date of options; amending the definitions contained in the Option Plan; amending the categories of persons who are Eligible Persons and entitled to be granted options; allowing the grant of financial assistance to optionees for the purpose of exercising options; authorizing the addition of a cashless exercise feature (payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserve); changing the assignability or transferability of options; modifying the mechanics of the exercise of options; and amendments of a housekeeping nature.

- No financial assistance has been provided under the Option Plan to facilitate the purchase of securities thereunder.

As a result of the Consolidation, the exercise price and number of Common Shares that are issuable upon exercise of the options that were outstanding immediately prior to the Consolidation have been adjusted. The exercise price of each such option has been multiplied by ten (10) and the number of Common Shares that are issuable in connection with each such option has been divided by ten (10).

Please see also "*Approval of Joint Share Ownership Plan*" for information relating to the JOP.

AGGREGATE INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

As of the date of this Information Circular and at any time within 30 days prior to the date hereof, no executive officer, director, employee, or former executive officer, director or employee of the Corporation or any of its subsidiaries is or was indebted in respect of any purchase of securities or otherwise to the Corporation or any of its subsidiaries or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS DURING MOST RECENTLY COMPLETED FINANCIAL YEAR

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no proposed director, and no associate of any such director, executive officer or proposed director, is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries, or indebted to another entity for which the indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in respect of any security purchase program or any other program.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors and management of the Corporation recognize that effective corporate governance practices are fundamental to the long-term success of the Corporation. Sound corporate governance contributes to shareholder value through increased confidence. The Board and management are therefore committed to maintaining a high standard of corporate governance and compliance with National Policy 58-201 - Corporate Governance Guidelines (the “**Guidelines**”), which establishes the basis for effective corporate governance. The Corporation’s approach to corporate governance, with reference to the Guidelines, is outlined below in accordance with NI 58-101.

The Board of Directors

The Board is currently comprised of six members, four of whom the Board has determined are “independent” directors within the meaning of NI 58-101. Messrs. Carello, Corra, Hanford and Rhodes are considered independent directors since they are independent of management and free from any direct or indirect material relationship with the Corporation.

Dr. Kurzin (who is also Executive Chairman) and Dr. Alexander Yakubchuk (who is also Chief Operating Officer) are considered non-independent directors, as they are officers of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures from time to time to ensure that it can function independently of management. The Board and/or independent directors meet, as necessary, without management and/or non-independent directors present. Mr. Mark Corra acts as a lead director when required and provides leadership to the other independent directors. When conflicts do arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter. In light of the suggestions contained in NI 58-101, the Board

intends to continue to convene meetings of independent directors in the future, at which non-independent directors and members of management are not in attendance as may be deemed necessary.

The following directors are presently a director of one or more other reporting issuers (or equivalent) in Canada or in another jurisdiction:

Director	Other Reporting Issuers
Mr. Massimo Carello	Canaccord Financial Inc. Velo Energy Inc.
Mr. Mark Corra	Sunridge Gold Corp.

The attendance record of each director for all board and committee meetings held since the beginning of the financial year ended December 31, 2010 is as follows:

Director	Board ⁽¹⁾	Audit Committee	Compensation Committee ⁽²⁾	Governance Committee ⁽³⁾
Dr. S.V. Kurzin	5 of 5	N/A	N/A	N/A
Dr. A. Yakubchuk	5 of 5	N/A	N/A	N/A
M. Carello	5 of 5	4 of 4	0 of 0 ⁽⁴⁾	0 of 0
T. J. Hanford	4 of 5	4 of 4 ⁽⁵⁾	0 of 0	0 of 0
M. Corra	4 of 5	4 of 4	0 of 0	0 of 0 ⁽⁶⁾
D. Rhodes	1 of 1	N/A ⁽⁷⁾	N/A ⁽⁷⁾	N/A ⁽⁷⁾

Notes:

- (1) Information provided represents the number of meetings attended out of the number of meetings held during each respective individual's tenure. Further business was approved by written resolutions of the Board (7 resolutions).
- (2) Business conducted during the year by the Compensation Committee was approved by written resolution of the Compensation Committee.
- (3) Business conducted during the year by the Governance Committee was approved by written resolution of the Governance Committee.
- (4) On January 25, 2011, Mr. Carello was replaced by Mr. Rhodes as a member of the Compensation Committee.
- (5) On January 25, 2011, Mr. Hanford was replaced by Mr. Rhodes as a member of the Audit Committee.
- (6) On January 25, 2011, Mr. Cora was replaced by Mr. Rhodes as a member of the Governance Committee.
- (7) Appointed to the Audit Committee, Compensation Committee and Governance Committee on January 25, 2011.

Board Mandate

There is currently no specific written mandate of the Board, other than that contained in corporate regulations or legislation to which the Board is subject in relation to the discharge of the directors' duties and standards of care.

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 Corporation are subject to Board approval.

Annual capital and operating budgets and significant changes thereto, long range plans, major changes in the organizational structure of the Corporation, annual financial statements, major acquisition and disposition transactions, major financing transactions involving the issuance of shares, debt securities and the like, major banking transactions, long term contracts with significant cumulative financial commitments, appointment of senior executive officers, benefit plans, stock option plans, issuance of stock options and succession plans are all subject to Board approval or, where appropriate, a duly authorized committee of the Board.

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

The Board does not have set dates for holding Board meetings, except meetings held to approve quarterly and annual accounts (when such accounts are not approved by written resolution). Other meetings are held as the needs of the Corporation's business require.

The Board does not currently have in place a formal program for succession planning. The Board will consider implementing such a program for the Corporation as part of the development planning process.

Position Descriptions

The Corporation has not developed written position descriptions for the Chairman of the Board or the Chairmen of each of the Audit, Compensation and Governance Committees. The members of each of the Board committees are approved by the Board and the Chairmen of each of the Board committees are approved by the Board as well as the members of the respective committee.

Each of the Board committees has a charter which outlines the responsibilities of that particular committee. The Chairman of each of the Board committees is responsible for ensuring that the respective committee operates in accordance with its charter and leads the meetings of that committee. The Executive Chairman of the Corporation is responsible for the strategic development of the Corporation, including developing the objectives and strategies of the Corporation and its subsidiaries, examining major capital expenditures, identifying and executing acquisitions and dispositions of projects, leading geographic diversification initiatives, identifying and executing new business opportunities, and ensuring the timely and accurate disclosure of information. The Executive Chairman reports to the Board and all major matters are approved by the Board at meetings or by way of written resolution. The Executive Chairman may also make recommendations to the Compensation Committee relating to remuneration policy, executive remuneration and the employment terms of the senior executive officers of the Corporation and to the Governance Committee on the roles and competencies required of executive director nominees.

The Corporation has not developed a written position description for the Chief Operating Officer, who also acts in certain circumstances in the capacity of the Corporation's Chief Executive Officer. The Chief Operating Officer reports to the Board, and 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 Operating Officer and management. The Board of Directors and the Chief Operating Officer review, on a regular basis, the scope and limits of management's responsibilities and powers.

The Board has delegated to management (including the Chief Operating Officer) responsibility for meeting the Corporation's objectives, implementing approved strategic and operating plans, generally managing the Corporation's day to day business and cash flows, evaluating new business opportunities and compliance with regulatory requirements as they apply to the Corporation. In addition, management

is tasked with preparing and recommending long-term strategic objectives, annual operating plans and budgets.

Orientation and Continuing Education

The Corporation currently does not have in place a formal orientation and education program for new Board members. As new directors join the Board, management will provide these individuals with information about the Corporation, including its corporate plan and strategic direction, and an outline of the general duties and responsibilities entailed in carrying out their role as directors. Information about the Corporation's projects is available to Board members, who are also encouraged to visit the Corporation's project sites as appropriate. The members of the Board are experienced professionals in their respective areas of business and they receive regular updates at Board meetings regarding developments in the exploration and mining industry, the state of the Corporation's projects, and the political situation in the countries in which the Corporation operates. Each director shares his experiences in the areas in which he has strong professional knowledge and has unlimited access to the Corporation's executives to seek required clarifications regarding the technical aspects of operations of the Corporation's projects throughout the different stages of development and operation, as applicable.

Ethical Business Conduct

The Board has adopted a formal Code of Ethics and Business Principles for directors, officers and employees (the "**Code**"). A copy of the Code is available on SEDAR (www.sedar.com). The Board is responsible for safeguarding the Corporation's interests and assisting the Corporation's business development initiatives.

The Board does not formally monitor compliance with the Code. Management is expected to report any breaches of the Code to the Board. Additionally, the Code also provides a process by which actual or potential violations of its provisions are to be reported to the individual's manager or, if this is inappropriate, to the Corporation's legal counsel and confirms that there will not be any reprisals against an individual who does so in good faith.

All of the Corporation's employees, officers and directors are expected to comply with the Code.

When conflicts do arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter.

Nomination of Directors

The members of the Governance Committee, each of whom is considered "independent" to the Corporation, are responsible for reviewing the Board's composition, having regard to the size and stage of development of the Corporation, in order to determine whether any nominations to the Board are necessary. When identifying and considering nominees, the Governance Committee looks for candidates with business experience and a particular knowledge of mineral exploration and development or other areas which provide knowledge which would assist in guiding management, and as such identifies and recruits candidates through discussions that include management. Currently, the Governance Committee members believe that the current composition of the Board is appropriate.

Compensation

The current director compensation program has been established by the Compensation Committee, and is regularly reviewed by the Board, to ensure that the amount of compensation paid to directors adequately

reflects the responsibilities and risks of being a director. The Compensation Committee makes recommendations to the Board and the Compensation Committee and the Board make adjustments as deemed necessary. For more information on directors' compensation, please see "*Executive Compensation -- Director Compensation*" above.

The Compensation Committee (which is comprised entirely of independent directors) makes recommendations to the Board on senior executives' compensation. Further information regarding the Compensation Committee and the determination of officers' compensation can be found in "*Executive Compensation*" above.

Committees

The Board currently has three committees: the Audit Committee, the Compensation Committee and the Governance Committee.

Assessments

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing the effectiveness and contribution of the Board as a whole, its committees or individual directors to be unnecessary at this time. In light of the fact that the Board and its committees meet on such occasions as deemed appropriate by the Board or its committees during each year, each director has regular opportunity to assess the Board as a whole, its committees and other directors in relation to the Board's and such director's assessment of the competencies and skills that the Board, its committees and individual directors should possess. The Board plans to continue to evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, and no proposed director of the Corporation, nor any associate or affiliate of any such director, executive officer or proposed director 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below and elsewhere in this Information Circular, no director, executive officer, proposed director, any person or company beneficially owning, controlling or directing, directly or indirectly (or a combination thereof), Common Shares carrying more than ten percent of the voting rights of the Common Shares, any directors or executive officers of such shareholders, or any associate or affiliate of the foregoing persons, have had a material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

On April 16, 2010, the Corporation completed a public offering with Canaccord Financial Ltd. (since renamed Canaccord Genuity Corp.), a subsidiary of Canaccord Financial Inc., as sole manager and bookrunner, pursuant to which an aggregate of 112,000,000 units of securities of the Corporation (each, a "Unit") were sold at a price of CAD\$0.25 per Unit, raising gross proceeds of CAD\$28 million (the "Offering"), as announced in the Corporation's press release dated April 16, 2010 and related material change report dated April 26, 2010 (copies of which are available under the Corporation's profile on

SEDAR at www.sedar.com). Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share at a price of CAD\$0.50 per share for a period of two years from closing of the Offering.

Dr. Sergey V. Kurzin (Arling House, Rye Hill, Rye, E. Sussex, United Kingdom), a director and the Executive Chairman of the Corporation, purchased 3,200,000 Units pursuant to the Offering. Mr. Mark Corra (2132 Meadowood Park, Burnaby, British Columbia, Canada), a director of the Corporation, purchased 250,000 Units pursuant to the Offering. Charlemagne Capital (IOM) Limited (St Mary’s Court, 20 Hill Street, Douglas, Isle of Man), an institutional investor owning more than 10% of the outstanding Common Shares prior to the completion of the Offering, purchased 5,339,209 Units pursuant to the Offering. The spouse of Dr. Alexander Yakubchuk (Flat 5, 92 Lexham Gardens, London, United Kingdom), a director and the Chief Operating Officer of the Corporation, purchased 250,000 Units pursuant to the Offering.

The participation by the above persons in the Offering constituted a “related party transaction” under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Under subsections 5.5(a) and 5.7(a) of MI 61-101, the Corporation was exempt from the requirements under MI 61-101 of having to perform a formal valuation and obtain minority shareholder approval in connection with the Offering, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involved interested parties, exceeded 25% of the Corporation’s market capitalization (calculated in accordance with MI 61-101).

The Offering was unanimously approved by all directors of the Corporation in accordance with applicable corporate law, it being disclosed prior thereto that Mr. Massimo Carello, a director of the Corporation, is also a director of Canaccord Financial Inc. and each of Messrs. Kurzin, Corra and Yakubchuk having declared his (or in the case of Dr. Yakubchuk, his spouse’s) anticipated participation in the Offering. There were no contrary views or disagreements in respect of the Offering.

MANAGEMENT CONTRACTS

The management functions of the Corporation and its subsidiaries are performed by the directors and/or executive officers of the Corporation and its subsidiaries, as applicable, and not, to any substantial degree, by any other person. See “*Executive Compensation -- Termination and Change of Control Benefits*” above.

OTHER MATTERS TO BE ACTED ON

Management of the Corporation is unaware of any matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. **However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote in respect of any such matters in accordance with their best judgment.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. For information regarding the Corporation’s Audit Committee, in compliance with the disclosure requirements of National Instrument 52-110 - *Audit Committees*, refer to the section entitled “Audit Committee Information” in the Corporation’s annual information form dated March 22, 2011, which is available on the Corporation’s SEDAR profile at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation’s comparative financial statements and management

discussion and analysis (“**MD&A**”) for the year ended December 31, 2010. To request copies of the Corporation’s financial statements and related MD&A, please contact the Corporation at:

Orsu Metals Corporation
1 Red Place
London, England
W1K 6PL

Attention: Tania Tchedaeva, Company Secretary

Tel.: 44 20 7518 3999
Fax: 44 20 7518 3998

Except where otherwise indicated, information contained herein is given as of April 15, 2011.

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

DATED as of the 15th day of April, 2011.

**APPROVED BY ORDER OF THE BOARD OF
DIRECTORS**

(Signed) “*Tania Tchedaeva*” - *Company
Secretary*

SCHEDULE "A"

ORSU METALS CORPORATION
RULES
OF
ORSU METALS CORPORATION JOINT SHARE OWNERSHIP PLAN

Adopted by the Company on: []

PricewaterhouseCoopers LLP
First Point
Buckingham Gate
Gatwick Airport
Sussex RH6 0NT
United Kingdom

Tel: [44] (1293) 566600
Fax: [44] (1293) 566601
Ref: NT/

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ORSU METALS CORPORATION JOINT SHARE OWNERSHIP PLAN

1. INTERPRETATION

Definitions

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

- 1.1.1. **Affiliates** has the same meaning as “affiliated companies” as found in the *Securities Act* (Ontario) and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- 1.1.2. **Associate** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- 1.1.3. **Award** means a Co-Ownership Award granted under the Plan;
- 1.1.4. **Award Certificate** means a statement in a form determined by the Company setting out details of the Award as set out in Rule 2.4;
- 1.1.5. **Award Date** means the date on which an Award is made in accordance with Rule 2.3;
- 1.1.6. **Award Holder** means an individual who holds an Award or, where the context permits, his legal personal representatives;
- 1.1.7. **Award Holder’s Interest** means the Award Holder’s interest in Plan Shares under a Co-Ownership Award;
- 1.1.8. **Board** means the board of directors of the Company or a duly authorised committee of it;
- 1.1.9. **Black Out Period** means any period during which any law, regulations or policy applying to the Company prevents certain persons designated by such law, regulation or policy from trading in the securities of the Company;
- 1.1.10. **Blocking Period** means the period that may be specified in the Co-Ownership Agreement during which a Realisation Notice cannot be served;
- 1.1.11. **Company** means the company Orsu Metals Corporation incorporated in British Virgin Islands (under company number 650334) whose registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands;
- 1.1.12. **Control** has the meaning given to it by section 89(3) of the *Securities Act* (Ontario);
- 1.1.13. **Co-Ownership Award** means an interest in a Plan Share held as tenants-in-common with the Trustee, the Award Holder’s interest being as set out in the Award Certificate and Co-Ownership Agreement;
- 1.1.14. **Co-Ownership Agreement** means the agreement setting out the terms of the Award Holder’s Interest and the Trustees’ Interest;
- 1.1.15. **Corporate Event** means;

- (i) a general offer for, or acquisition of, the Company as set out in Rule 8.1;
 - (ii) a compulsory acquisition of the Company as set out in Rule 8.2;
 - (iii) a reconstruction or amalgamation of the Company as set out in Rule 8.3;
 - (iv) a winding up of the Company as set out in Rules 8.4.
- 1.1.16. **Dealing Day** means any day on which the relevant stock exchange for an Award is open for the transaction of business;
- 1.1.17. **Eligible Employee** means an individual who at the Award Date is an employee or officer of a Group Member;
- 1.1.18. **Employees' Share Scheme** means any arrangement to provide benefits to Eligible Employees in the form of Plan Shares, options to acquire Plan Shares, interests in Plan Shares or any other benefits derived from Plan Shares. For the purposes of these Rules the Stock Option Plan is an Employees' Share Scheme;
- 1.1.19. **Grantor** means
- (a) in relation to an Award made by the Company, the Board;
 - (b) in relation to an Award approved by the Board and made by the Trustee, the Trustee; and
 - (c) in relation to an Award approved by the Board and made by a Subsidiary, the Subsidiary.
- 1.1.20. **Group** means the Company and its Affiliates from time to time and "**Group Member**" shall be interpreted accordingly;
- 1.1.21. **Insider** means any insider, as such term is defined in Subsection 1(1) of the *Securities Act (Ontario)*, of the Company and also includes any Associates and Affiliates of any such insider;
- 1.1.22. **ITA 2007** means the Income Tax Act 2007;
- 1.1.23. **ITEPA 2003** means the Income Tax (Earnings and Pensions) Act 2003;
- 1.1.24. **New Holding Company** means a company which obtains Control of the Company where 90% or more of the New Holding Company's common shares are held in substantially the same proportions by substantially the same persons who previously held the Company's common shares;
- 1.1.25. **Parallel Option** means any option granted to an Award Holder pursuant to the Stock Option Plan in connection with the grant of an Award which is stated to be a Parallel Option for the purposes of this Plan;
- 1.1.26. **Performance Target** means a performance target imposed as a condition of the Vesting of an Award under Rule 5.1 and as substituted or varied in accordance with Rule 5.3;
- 1.1.27. **Plan** means the Orsu Metals Corporation Joint Share Ownership Plan as amended from time to time;
- 1.1.28. **Plan Shares** means common shares of the Company (or any shares representing them);

- 1.1.29. **Realisation** means the Award Holder issuing a Realisation Notice;
- 1.1.30. **Realisation Notice** means a notification in such form as the Grantor shall determine under which an Award Holder requests the Realisation of all or part of his Vested Award;
- 1.1.31. **Relevant Employment** means employment with any Group Member;
- 1.1.32. **Reorganisation** means any variation in the share capital of the Company, including but without limitation rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the share capital of the Company;
- 1.1.33. **Rules** mean the rules of the Plan;
- 1.1.34. **Stock Option Plan** means the Orsu Metals Corporation stock option plan (dated with effect as of May 13, 2003, as amended and restated from time to time);
- 1.1.35. **Subsisting Award** is an Award to the extent that it has not lapsed (or been waived, or cancelled or surrendered) and has not been fully realised;
- 1.1.36. **Trustee** means the trustee of the ORSU METALS CORPORATION Employee Benefit Trust or the trustee of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;
- 1.1.37. **Trustee's Interest** means the Trustee's interest in the Plan Shares as set out in the Co-Ownership Agreement;
- 1.1.38. **Trustee's Option** means the Trustee's right to acquire some or all of the Award Holder's Interest in specified circumstances as set out in the Trustee's Option Agreement;
- 1.1.39. **Trustee's Option Agreement** means the agreement setting out the terms of the Trustee's Option over the Award Holder's Interest;
- 1.1.40. **TSX** means the Toronto Stock Exchange; and
- 1.1.41. **Vest** has the meaning as set out in Rule 6.1, and **Vesting Date** shall mean the date an award Vests or is deemed to Vest under these Rules

1.2. Interpretation

In the Plan, unless otherwise specified:

- 1.2.1. the contents and rule headings are inserted for ease of reference only and do not affect the interpretation of the Plan;
- 1.2.2. a reference to a Rule is a reference to a rule of the Plan;
- 1.2.3. save as provided for by law and subject to Rule 16 a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail;
- 1.2.4. the singular includes the plural and *vice versa* and the masculine includes the feminine;

- 1.2.5. a reference to a statutory provision includes any statutory modification, amendment or re-enactment thereof;
- 1.2.6. the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment;
- 1.2.7. references to stock exchange are to any stock exchange where the Plan Shares are or are to be listed; and
- 1.2.8. the phrase “acting jointly or in concert” has the meaning given to it by section 91(1) of the *Securities Act* (Ontario).

2. MAKING OF AWARDS

2.1. Awards made by Grantor

Subject to Rules 2.5 and 2.6 the Grantor may from time to time make Awards to Eligible Employees.

2.2. Terms of Awards

Subject to the Rules, the Grantor will in its absolute discretion decide whether or not any Awards are made at any particular time and, if they are, who they are made to and the terms of such Awards. Where Awards are not made by the Board the terms must be approved in advance by the Board.

2.3. Procedure for making of Awards and Award Date

An Award shall be made by the Grantor passing a resolution. The Award Date shall be the date on which the Grantor passes the resolution or such later date as specified in the resolution. The making of an Award shall be evidenced by a deed executed by or on behalf of the Grantor. An Award Certificate shall be issued to each Award Holder as soon as practicable following the making of the Award.

2.4. Contents of Award Certificate

An Award Certificate shall state:

- 2.4.1. the Award Date and the initial value of the Plan Shares subject to the Award;
- 2.4.2. the number of Plan Shares subject to the Award;
- 2.4.3. the date or dates on which the Award will Vest;
- 2.4.4. the Performance Target (if any);
- 2.4.5. whether there is a Parallel Option; and
- 2.4.6. any further conditions of the Award.

2.5. When Awards may not be made

- 2.5.1 Awards shall not be made under this Plan after the tenth anniversary of the adoption of the Plan and any Award granted in contravention of this Rule shall be deemed not to have been made.

2.5.2 Save as provided in Rule 4.5 but subject to Rule 2.5.3, an Award may be made only during each period of forty-two days beginning on the Dealing Day following:

- (a) the date this Plan has been adopted by the Company; and
- (b) the public announcement of the Company's annual or interim financial results, as the case may be, or absent any such announcement, the date on which the Company's annual or interim financial statements, as the case may be, have been filed with the applicable securities regulatory authorities.

2.5.3 An Award may not be made within three Dealing Days of a Black Out Period.

2.5.4 Notwithstanding Rule 2.5.2 but subject to Rule 2.5.3 an Award may be made outside the periods specified in Rule 2.5.2 in circumstances which the Grantor considers sufficiently exceptional to justify the making of the Award at that time.

2.6. Who can be made Awards

An Award may not be made to an individual who is not an Eligible Employee at the Award Date. Unless the Board decides otherwise, an Award will not be made to an Eligible Employee who on or before the Award Date has given or received notice of termination of employment (whether or not lawful).

2.7. Right to refuse Awards

An Award Holder may, by notice in writing to the Company within thirty days after the Award Date, say he does not want an Award in whole or part. In such a case, such Award shall to that extent be treated as never having been made. No payment is required from the Award Holder or the Grantor for the Award or for refusal of the Award.

2.8. Awards non-transferable

An Award shall be personal to the Award Holder and, subject to Rule 7.1 (Death), an Award that has not Vested (in accordance with Rule 6) shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Award Holder purports to transfer, charge or otherwise alienate the Award.

3. JOINT SHARE OWNERSHIP

3.1. An Award Holder must enter into an agreement with the Grantor and the Trustee comprising an Award Certificate, a Co-Ownership Agreement, a Trustee's Option Agreement and such further documents as the Grantor shall in its discretion determine including any documentation required to deal with the forfeiture of the Award Holder's Interest. The Grantor may provide that the Award will lapse if the documents are not signed within any specified period.

The Co-Ownership Agreement shall specify the rights attaching to the Award Holder's Interest. The Co-Ownership Agreement will provide (among other things) that, except in accordance with Rule 7.1 (Death), the Award Holder will not transfer or assign his Award Holder's Interest before the Award has Vested (in accordance with Rule 6).

4. PLAN LIMITS

4.1 The number of Plan Shares which may be reserved and set aside for Awards under this Plan (that have not lapsed or expired or been cancelled) together with any

outstanding options or awards made pursuant to other Employee Share Schemes at any particular time, shall not exceed 10% of the aggregate number of Plan Shares issued and outstanding (calculated on a non-diluted basis) from time to time.

4.2 **Insider Participation Limits:** Subject to regulatory approval and unless approved by the shareholders of the Company given by the affirmative vote of a majority of the votes cast at a meeting of shareholders of the Company, excluding the votes attached to Plan Shares beneficially owned by (a) Insiders to whom Awards may be granted under this Plan, other than persons who are Insiders solely by virtue of being a director or senior officer of a subsidiary of the Company; and (b) Associates of persons referred to in (a) above:

- (a) the number of Plan Shares subject to Awards or reserved pursuant to options or awards granted to Insiders and under all other Employees' Share Schemes may not exceed 10% of the issued and outstanding Plan Shares;
- (b) the number of Plan Shares subject to Awards granted to Insiders under this Plan and issuances of Plan Shares to Insiders under all other Employees' Share Schemes, within a one-year period, may not exceed 10% of the issued and outstanding Plan Shares; and
- (c) the number of Plan Shares subject to Awards granted to any one Insider and such Insider's Associates under this Plan and issuances of Plan Shares to any one Insider and such Insider's Associates under all other Employees' Share Schemes, within a one-year period, may not exceed 5% of the issued and outstanding Plan Shares.

For the purposes of this Rule 4.2, the phrase "issued and outstanding Plan Shares" means the Plan Shares issued and outstanding as at the date of the relevant Award, issuance or grant calculated on a non-diluted basis.

4.3 Any Shares subject to awards under this Plan or any other Employees' Share Scheme which for any reason are surrendered, cancelled, terminated, lapsed or expired, shall again be available for subsequent grants under the Plan.

4.4 And for the purposes of the limits in this Rule 4, if Plan Shares issued to the Trustee have been counted for the purpose of this Rule, they shall not also be counted when they are used to satisfy an Award (or a right granted under any other Employees' Share Scheme). Furthermore, Plan Shares subject to a Parallel Option (or any other parallel share award arrangement under any other Employees' Share Schemes where only one award under the parallel awards can be exercised or realised) shall only count once for the purposes of calculating the limits in this Rule 4.

4.5 To the extent that Awards are granted on the same date which cause the limits in Rule 4 to be exceeded, such grants shall be void only in respect of the excess above such limits on a pro-rata basis.

5. PERFORMANCE TARGET

5.1. Setting of Performance Target

The Vesting of an Award and the extent to which it Vests may be subject to the satisfaction of Performance Targets and any other conditions set by the Grantor.

5.2. Nature of Performance Target

Any Performance Target or any further condition imposed under Rule 5.1 shall be:

- 5.2.1. objective; and
- 5.2.2. set out in, or attached in the form of a schedule to, the Award Certificate.

5.3. Substitution, variation or waiver of Performance Target

If an event occurs which causes the Grantor to consider that any Performance Target or any condition imposed under Rule 5.1 subject to which an Award has been made is no longer appropriate, the Grantor (with the consent of the Board, if applicable) may, subject to Rule 15.2, substitute, vary or waive the Performance Target or condition in such manner (and make such consequential amendments to the Rules) as the Grantor considers is reasonable in the circumstances.

The Award shall then take effect subject to the Performance Target or other condition as substituted, varied or waived.

5.4. Notification of Award Holders

The Grantor shall, as soon as practicable, notify each Award Holder concerned of any determination made by it under Rule 5.3.

6. VESTING OF AWARDS

6.1. Earliest date for Vesting of Awards

Subject to Rules 7 (leavers) and 8 (corporate events), an Award will vest (“**Vest**”) and, subject to any applicable Black Out Period, may be realised by the Award Holder on the earliest of:

- 6.1.1. the third anniversary of the Award Date;
- 6.1.2. the relevant date (if any) specified in the Award Certificate under Rule 2.4; and
- 6.1.3. the date on which the Board determines that any Performance Target and any further condition imposed under Rule 5.1 (or as varied under Rule 5.3) have been satisfied.

6.2. Effect of Award Vesting

Subject to the Rules, following Vesting of an Award the Award Holder may submit a Realisation Notice after the expiry of any Blocking Period in accordance with the provisions specified in the Award Certificate.

If a Realisation Notice has not been submitted by the fifth anniversary of the Award Date, the Award shall lapse.

6.3. Transfer of Plan Shares

- 6.3.1. Subject to Rule 11 (Taxes) and to any necessary consent and to compliance by the Award Holder with the Rules, the Grantor shall, as soon as practicable and in any event not later than thirty days after the Award Holder submits a Realisation Notice, arrange for the Award to be realised in accordance with the procedures set out in the Award Certificate.

For the purposes of this Rule 6.3.1, the transfer or sale of Plan Shares to realise an Award may not be completed during or within three Dealing Days of a Black Out Period.

6.3.2. A Realisation Notice may specify the full Vested Award or a lesser amount.

7. LEAVERS AND DEATH

7.1. Death

Notwithstanding Rule 6.1 and subject to the Co-Ownership Agreement, if an Award Holder dies, his Award shall be capable of realisation by the Award Holder's personal representatives, heirs or legatees before the earlier of: (a) the expiry of one year from the date of such death; or (b) the lapse of such Award pursuant to Rule 9.

7.2. Other cases of dismissal

If an Award Holder ceases to be in Relevant Employment or ceases to be an officer of a Group Member by reason of:

- 7.2.1. retirement, or a termination with the consent of the Board which under the circumstances the Board (at its discretion) deems to be equivalent to retirement, then such Award Holder may realise his Subsisting Awards to the extent it has Vested within six (6) months of the date of such retirement (or termination equating to retirement) but only to the same extent to which the Award Holder could have realised the Award immediately before the date of such retirement (or termination equating to retirement). After expiry of the six months the Award shall lapse; .
- 7.2.2. a dismissal not due to retirement (or the equivalent of retirement) and not a dismissal for cause, no Award may be realised by such an Award Holder following the date which is ninety (90) days after such dismissal and after such period of ninety days the Award shall lapse;
- 7.2.3. a dismissal for cause, the Award shall lapse in its entirety on such a dismissal.

7.3. Meaning of ceasing to be in Relevant Employment

For the purposes of the Plan, an Award Holder shall not be treated as ceasing to be in Relevant Employment (or ceasing to be an officer of the Group) until he no longer holds any office or employment with any Group Member. Unless the Board determines otherwise an Award Holder will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment.

8. EARLY VESTING ON A CORPORATE EVENT

8.1. General offer for, or acquisition of, Company

Notwithstanding Rules 6.1 and 9, if a person other than a New Holding Company obtains Control of the Company as a result of:

- 8.1.1. making a general offer to acquire the whole of the issued and outstanding share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
- 8.1.2. making a general offer to acquire all the shares in the Company of the same class as the Plan Shares,

(in either case, other than any shares already held by him or a person acting jointly or in concert with him) a proportion of any Subsisting Awards shall Vest and be capable of realisation within 6 months of the above event (and thereafter shall lapse).

The Board shall determine the proportion of the Subsisting Awards that shall vest taking into account such factors as the Board may consider relevant (including, but not limited to, the time the Award has been held by the Award Holder and the extent to which any Performance Targets have been satisfied).

8.2. Compulsory acquisition of Company

Notwithstanding Rules 6.1 and 9, if a person other than a New Holding Company becomes entitled or bound to acquire Plan Shares and will obtain Control of the Company due to provisions in the Articles of Association of the Company or pursuant to section 176 of The BVI Business Companies Act 2004, a proportion of the Subsisting Awards shall Vest immediately and be capable of realisation within the period such person is bound or entitled to purchase Plan Shares (and thereafter shall lapse).

The Board shall determine the proportion of the Subsisting Awards that shall vest taking into account such factors as the Board may consider relevant (including, but not limited to, the time the Award has been held by the Award Holder and the extent to which any Performance Targets have been satisfied).

8.3. Reconstruction or amalgamation of Company

Notwithstanding Rules 6.1 and 9, if a person other than a New Holding Company proposes to obtain Control of the Company in pursuance of an arrangement sanctioned by the court under section 177 or 179A of The BVI Business Companies Act 2004 a proportion of the Subsisting Awards shall Vest, conditionally on the arrangement becoming effective, on the date when the application is made to the court.

The proportion of the Subsisting Awards which shall Vest and be capable of realisation during the period specified by the Company and shall thereafter lapse.

The Board shall determine the proportion of the Subsisting Awards that shall vest taking into account such factors as the Board may consider relevant (including, but not limited to, the time the Award has been held by the Award Holder and the extent to which any Performance Targets have been satisfied).

8.4. Winding-up of Company

Notwithstanding Rules 6.1.1 and 6.1.2, if the Board determines to liquidate the Company, 7 days notice shall be given to the Award Holders during which a proportion of the Subsisting Awards shall Vest and be capable of realisation before a liquidator of the Company is appointed, and shall thereafter lapse.

The Board shall determine the proportion of the Subsisting Awards that shall vest taking into account such factors as the Board may consider relevant (including, but not limited to, the time the Award has been held by the Award Holder and the extent to which any Performance Targets have been satisfied).

8.5. Notification of Award Holders

The Board shall, as soon as reasonably practicable, notify each Award Holder of the occurrence of any of the events referred to in this Rule 8 and explain how this affects his position under the Plan.

8.6. Lock-in Agreements to be signed

The Grantor may, at its discretion on a Corporate Event, determine that the Award may not be realised by the Award Holder (or realised for his benefit) unless the Award Holder or the Trustee (if not the Grantor) has beforehand signed any agreement required by the Grantor in connection with any Plan Shares to be sold or transferred in connection with such Corporate Event.

9. LAPSE OF AWARDS

Notwithstanding any other provision of the Rules other than Rule 8, an Award shall lapse on the earliest of:

- 9.1.** the Board determining that any Performance Target or any further condition imposed under Rule 5.1 has not been satisfied either in whole nor in part in respect of the Award and can no longer be satisfied in whole or in part in which case the Award shall lapse either in whole or as to such part in relation to which the Performance Target or other conditions imposed under Rule 5.1 can no longer be satisfied;
- 9.2.** subject to Rule 7, the Award Holder ceasing to be in Relevant Employment or ceasing to be an officer of the Group;
- 9.3.** any date provided for under these Rules;
- 9.4.** at the discretion of the Board, the date on which the Award Holder becomes bankrupt or enters into a compromise with his creditors generally;
- 9.5.** the Award Holder's exercise of any Parallel Options, but the Award shall only lapse to the extent of the Parallel Options so exercised;
- 9.6.** the fifth anniversary of grant of an Award.

10. ADJUSTMENT OF AWARDS ON REORGANISATION

10.1. Power to adjust Awards

In the event of a Reorganisation, the number of Plan Shares subject to an Award, the description of the Plan Shares, the extent of the Award Holder's and Trustee's interest in Plan Shares or any one or more of these, may be adjusted in such manner as the Board or, where the Trustee is the Grantor, the Trustee reasonably considers to be appropriate in order to ensure, so far as is reasonably practicable, that the value of the Award Holder's Interest and the Trustee's Interest are not affected by such event, taking account of any amounts realised by the Trustee or the Award Holder as a consequence of such event

11. TAXES

11.1. Deductions

Unless the Award Holder discharges any liability that may arise himself, the Grantor, the Company or any Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Plan Shares, to meet any liability to taxes or social security contributions in respect of Awards.

11.2. Transfer of employer's NIC

The Grantor may, at its discretion and to the extent permitted by law, require the Award Holder to pay all or any part of the employer's national insurance contributions liability or any local equivalent in relation to an Award under the Plan.

11.3. Execution of document by Award Holder

The Grantor may require an Award Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 11.1 and 11.2 and return the executed document to the Grantor by a specified date. It shall be a condition of Vesting of the Award that the executed document be returned by the specified date unless the Grantor determines otherwise.

11.4. Tax elections

The Grantor may, at its discretion, determine that the Plan Shares or interest in Plan Shares subject to an Award may not be transferred to the Award Holder (or for his benefit) unless the Award Holder has beforehand signed tax elections or other agreements with tax authorities for the applicable tax jurisdiction in force at that time including but not limited to elections under English law under Chapter 2 of Part 7 of ITEPA 2003 and/or section 165 of the Taxation of Chargeable Gains Act 1992.

12. ISSUE / TRANSFER OF PLAN SHARES

12.1. Rights attaching to Plan Shares

Subject to the terms of each respective Co-Ownership Agreement, all Plan Shares held by Award Holders and the Trustee following the Vesting of an Award under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Plan Shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

12.2. Listing of Plan Shares

If and so long as Plan Shares are listed on and traded on a stock exchange, the issuance of all Plan Shares under the Plan shall be subject to the approval of such stock exchange.

In respect of such a listing of Plan Shares, the Company may require, as a condition of listing the Plan Shares under this Rule, that the Eligible Employee sign documents required by the laws for the jurisdiction of the particular stock exchange where Plan Shares are to be listed.

13. RELATIONSHIP OF PLAN TO CONTRACT OF EMPLOYMENT

13.1. Contractual provisions

Notwithstanding any other provision of the Plan:

- 13.1.1. the Plan shall not form part of any contract of employment between any Group Company and an Eligible Employee;
- 13.1.2. unless expressly so provided in his contract of employment, an Eligible Employee has no right to be made an Award and the receipt of an Award in one year is no indication that the Award Holder will be made any subsequent Awards;

- 13.1.3. the Plan does not entitle any Award Holder to the exercise of any discretion in his favour;
- 13.1.4. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
- 13.1.5. if an Eligible Employee ceases to be in Relevant Employment, he shall not be entitled to compensation for the loss of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

13.2. Deemed agreement

By accepting the making of an Award, an Award Holder is deemed to have agreed to the provisions of this Rule 13.

14. ADMINISTRATION OF PLAN

14.1. Responsibility for administration

The Company and the Grantor where appropriate, shall be responsible for, and shall have the conduct of, the administration of the Plan. The Company may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules.

14.2. Board's decision final and binding

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

14.3. Grantor to obtain Board approval

Where the Grantor is not the Board, any determination or exercise of any power or discretion under the Plan by such Grantor will be subject to the prior approval of the Board.

14.4. Discretionary nature of Awards

All Awards shall be made entirely at the discretion of the Grantor.

14.5. Provision of information

An Award Holder and, where the Grantor is not the Board, the Grantor, shall provide to the Company as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with any obligations the Company has under any laws, regulations or policy applying to the Company including but not limited to information the Company is required to provide for taxation purposes.

14.6. Cost of Plan

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost to a Subsidiary or the Grantor.

14.7. Data protection

By accepting the making of an Award, an Award Holder is deemed to consent to the holding and processing of personal data provided by the Award Holder to the Company (and where the Company is not the Grantor, the Grantor) for all purposes relating to the operation of the Plan.

14.8. Third party rights

Nothing in these Rules confers any benefit, right or expectation on a person who is not an Award Holder. No such third party has any rights under English law of the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of these Rules.

15. AMENDMENT OF PLAN

15.1. Power to amend Plan

Subject to Rule 15.2 and Rule 15.3 and any law, regulations or policy applying to the Company, including but not limited to the rules and policies of the TSX, the Board may from time to time amend the Rules to the extent set out in Rule 15.2 (including, for the purposes of establishing a sub-plan for the benefit of employees located overseas).

15.2. Rights of existing Award Holders

An amendment may not materially and adversely affect the rights of an existing Award Holder except to the extent required by law or where the Award Holder has given consent.

15.3. Other requirements for Amendments to be Valid

For the purposes of Rule 15, Article 9.2 (but excluding Article 9.2(k)), Article 9.3 (but excluding Article 9.3(c)) and Article 9.5 of the Stock Option Plan shall apply mutatis mutandis to these Rules and references to "Option" or "Options" shall be replaced by Award, "Corporation" shall be replaced by Company, "Plan" shall mean the Plan defined for these Rules, "Optionee" shall be replaced by Award Holder, "Eligible Person" shall be replaced by Eligible Employee and "exercise" or "exercised" shall mean to realise an Award (when an Award Holder sells his interest in Plan Shares in accordance with the relevant Co-Ownership Agreement).

16. NOTICES

16.1. Notice by Grantor

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment if sent by e-mail to such e-mail address as may be specified by him from time to time, or sent through the post in a pre-paid envelope to the postal address last known to the Company to

be his address and, if so sent, shall be deemed to have been duly given on the date of posting.

16.2. Notice to Grantor

Save as provided for by law any notice, document or other communication given to the Grantor in connection with the Plan shall be delivered by hand or sent by email, fax or post to the Company Secretary at the Company's registered office or such other e-mail or postal address as may from time to time be notified to Award Holders but shall not in any event be duly given unless it is actually received at the registered office or such e-mail or postal address.

17. GOVERNING LAW AND JURISDICTION

17.1. Plan governed by English law

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Award made under it shall be governed by English law.

17.2. English courts to have jurisdiction

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

17.3. Jurisdiction agreement for benefit of Company

The jurisdiction agreement contained in this Rule 17 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

17.4. Award Holder deemed to submit to such jurisdiction

By accepting the making of an Award, an Award Holder is deemed to have agreed to submit to such jurisdiction.

**[PLEASE ALSO REFER TO THE RELATED FORM OF
CO-OWNERSHIP AGREEMENT, WHICH FOLLOWS]**

DATED:

20[11]

(1) [Pinnacle Trustees Limited]

and

(2) [name of employee]

and

(3) Orsu Metals Corporation

CO-OWNERSHIP AGREEMENT

THIS AGREEMENT is made on

20[11]

BETWEEN:

- (1) Pinnacle Trustees Limited, a company incorporated in Jersey with registration number 52007 whose registered office is situated at 14 Britannia Place Bath Street Sth Helier Jersey ("**the Trustee**"), in its capacity as trustee of the Orsu Metals Corporation Employee Benefit Trust;
- (2) [name of employee] of [address] ("**the Award Holder**"); and
- (3) Orsu Metals Corporation a company incorporated in British Virgin Islands (under company number 650334) whose registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands ("**the Company**").

PRELIMINARY:

- (A) By a declaration of trust made between the Company and the Trustee ("**the Trust Deed**"), the Company established the Orsu Metals Corporation Employee Benefit Trust ("**the Trust**").
- (B) The Trust is an employee benefit trust under which the Trustee holds the trust fund ("**the Trust Fund**") on discretionary trust for the Beneficiaries.
- (C) The Trustee and the Award Holder on even date have jointly subscribed for [] common shares in the Company ("**the Plan Shares**"), and the terms set out in this Agreement shall apply to the joint subscription. The joint subscription and this Agreement are pursuant to a Co-Ownership Award in favour of the Award Holder subject to an Award made on the Award Date under the Orsu Metals Corporation Joint Share Ownership Plan ("**the Plan**").
- (D) The Trustee and the Award Holder have agreed to hold the Plan Shares as tenants in common subject to and in accordance with the terms of this Agreement. A nominee shall hold legal title to the Plan Shares on bare trust for the Trustee and Award Holder and the proceeds of the Plan Shares shall be distributed in accordance with the terms of the co-ownership agreement.
- (E) The extent of the Award Holder's and Trustee's respective interests in the Plan Shares may vary from time to time in accordance with this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1. In this Agreement, unless the otherwise indicated, the following words and expressions have the following meanings:
 - 1.1.1. the **Acquisition Date** means 20[11];
 - 1.1.2. the **Award Date** means 20[11];
 - 1.1.3. **Agreement** means this agreement entered into by the parties;

- 1.1.4. **Award Holder's Interest** means the Award Holder's interest in the Plan Shares acquired pursuant to this Agreement;
- 1.1.5. **Blocking Period** means the period from the Award Date to the earlier of:
- (i) the second anniversary of the Award Date; or
 - (ii) the date of a Corporate Event as determined in accordance with the Rules of the Plan; or
 - (iii) the date on which the Award Holder dies.
- 1.1.6. **Dealing Day** means any day on which the Relevant Stock Exchange for an Award is open for the transaction of business;
- 1.1.7. **Hurdle** means in relation to each Plan Share:
- the Initial Value of the Plan Share multiplied by 1.5;
- 1.1.8. **Initial Value** means in relation to each Plan Share the sum of [];
- 1.1.9. **Market Value** means in relation to any date in respect of a Plan Share, the closing sale price of such Plan Shares on the Relevant Stock Exchange on the Dealing Day immediately preceding such date. In the event that the Plan Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of the Plan Shares as determined by the Board in its sole discretion;
- 1.1.10. **Notional Sale Date** means any date upon which a Plan Share is deemed to be sold for the purpose of calculating the value of an Award Holder's Interest under clause 2 of this Agreement;
- 1.1.11. **Purchase Price** means:
- (i) in the event of an actual sale of a Plan Share subject to this Agreement, the price paid per Plan Share before deducting any costs of sale; or
 - (ii) otherwise, the Market Value of a Plan Share on a Notional Sale Date.
- 1.1.12. **Trustee's Interest** means the Trustee's interest in the Plan Shares retained as set out in clause 3 below;
- 1.1.13. **Relevant Stock Exchange** means [*insert: the Toronto Stock Exchange or AIM Market of the London Stock Exchange*] or, if the Plan Shares are not then listed and posted for trading on the Relevant Stock Exchange, on such stock exchange on which the Plan Shares are listed and posted for trading as may be selected for such purpose by the Board;
- 1.1.14. **Tax Election** means the election appended to this Agreement (if any) that the Award Holder must sign as a condition of this Agreement.
- 1.2. In this Agreement, unless otherwise specified:
- 1.2.1. words and expressions not defined in this Agreement shall have the meanings given to them in the Trust Deed or the rules of the Plan.

- 1.2.2. the contents and clause headings are inserted for ease of reference only and do not affect their interpretation;
- 1.2.3. the singular includes the plural and vice-versa and the masculine includes the feminine;
- 1.2.4. a reference to a statutory provision includes any statutory modification, amendment or re-enactment thereof; and
- 1.2.5. the currency used for the value of the Hurdle and Plan Shares in this Agreement shall be the [currency that the Plan Shares are listed in for the Relevant Stock Exchange] .

2. THE AWARD HOLDER'S INTEREST

The Award Holder's Interest is determined by reference to the proportion of the Purchase Price that the Award Holder would receive as follows:

- 2.1. 0% of any value in the Plan Shares if during the period commencing on the Award Date and ending on the Notional Sale Date, the Market Value was:
 - (i) not equal to or greater than the Hurdle for at least 20 consecutive Dealing Days; and
 - (ii) not equal to or greater than the Hurdle if there is a Corporate Event.
- 2.2. 100% of any value in the Plan Shares above the Initial Value if during the period commencing on the Award Date and ending on the Notional Sale Date, the Market Value was either:
 - (i) equal to or greater than the Hurdle for at least 20 consecutive Dealing Days;
or
 - (ii) equal to or greater than the Hurdle if there is a Corporate Event.

3. THE TRUSTEE'S INTEREST

The Trustee's Interest in the Plan Shares is determined by reference to the proportion of the Purchase Price that the Trustee would receive, being 100% of any value in the Plan Shares minus the proportion that the Award Holder would receive under clause 2 above.

4. COMPLETION

- 4.1. The Award Holder shall:
 - 4.1.1. sign the Trustee's Option Agreement; and
 - 4.1.2. enter into a Tax Election within the prescribed time period for that Tax Election ; and
 - 4.1.3. enter into such arrangements as may be necessary to ensure that any liability to taxes or social security contributions in relation to the acquisition of the Award Holder's Interest is made available to the Company and/or the

Trustees as the case may be (whether by making a payment to the Company or the Trustee of an amount sufficient to cover such liability or by authorising the deduction of the requisite amount from amounts owed to the Award Holder or otherwise).

- 4.2. The Trustee shall:
 - 4.2.1. sign the Trustee's Option Agreement;
 - 4.2.2. sign a declaration of trust that they hold the Plan Shares in accordance with the terms and conditions as set out in this Agreement.
- 4.3. The Company shall:
 - 4.3.1. sign the Trustee's Option Agreement; and
 - 4.3.2. sign, or procure that the Award Holder's employing company shall sign any Tax Election (if required to do so).

5. DISPOSAL OF THE AWARD HOLDER'S INTEREST AND THE TRUSTEE'S INTEREST

- 5.1. The Award Holder may not assign, transfer or charge the Award Holder's Interest prior to the end of a Blocking Period. The Trustee may not assign, transfer or charge the Trustee's Interest without the consent of the Company.
- 5.2. After the end of the Blocking Period, either the Award Holder or the Trustee may, pursuant to and in accordance with the Trustee's Option Agreement, call for either:
 - 5.2.1 a joint sale, in whole or part, of the Plan Shares ; or
 - 5.2.2 a sale of an interest in the Plan Shares to the other party who is interested in the Plan Shares;

provided any Parallel Option granted to the Award Holder in connection with the Award remains outstanding at such time.
- 5.3. If there is to be a joint sale of Plan Shares, the Trustee and Award Holder shall arrange for the relevant number of Plan Shares to be sold, such sale shall be in accordance with the Company's Memorandum and Articles of Association and any stock exchange rules which are in force at the time. Any brokerage charges or commissions shall be borne in proportion to the Award Holder's and Trustee's respective interests in the Plan Shares
- 5.4. If there is a sale of an interest in the Plan Shares in accordance with clause 5.2.2 then the seller shall forthwith transfer to the other party its interest in the Plan Shares. The amount payable for the Award Holder's Interest or the Trustee's Interest, as the case may be, shall be determined on the basis of the proceeds that would have been receivable for the relevant interest as if each of the Plan Shares were disposed of at the Market Price on the relevant date and the pro rata basis entitlement in accordance with clauses 2 and 3.

6 VOTING AND DIVIDEND RIGHTS

- 6.1 The Award Holder shall not be entitled to any votes in respect of the Award Holder's Interest. The Trustees may exercise all voting rights in relation to the Plan Shares as they consider appropriate and in the best interest of Award Holder; and
- 6.2 The Award Holder's Interest does not include any right to any dividends or other distributions declared on the Plan Shares. Accordingly all and any dividends relate to the Trustees' Interest.

6. VARIATION OF CAPITAL

In the event of any capitalisation issue by the Company, or any offer or invitation by way of rights, or any consolidation, sub-division or reduction of its share capital, or any other variation of its share capital or in such other circumstances as the Board or by any committee authorised by the Board ("**Compensation Committee**") considers appropriate, then the Initial Value and the Hurdle shall be adjusted in such manner as the Compensation Committee reasonably considers to be appropriate in order to ensure, so far as is reasonably practicable, that the value of the Award Holder's Interest and the Trustees' Interest are not affected by such event, taking account of any amounts realised by the Trustee or the Award Holder as a consequence of such event.

7. RIGHTS ISSUES

In the event of any offer or invitation by way of a rights issue in respect of the Plan Shares, the Trustee shall, unless agreed otherwise between the parties, sell sufficient rights to fund the acquisition of the shares subject to the remaining rights.

The provisions of clause 6 above will apply to adjust the respective interests of the Trustee and the Award Holder following any rights issue.

8. AMENDMENT

The Award Holder, the Trustee and the Company may, at any time, by agreement in writing, amend this Agreement provided that (i) any amendment is consistent with the rules of the Plan; and (ii) no amendment may be made to the Initial Value or the Hurdle other than in accordance with clause 6 above.

9. GOVERNING LAW AND JURISDICTION

- 9.1. The formation, existence, construction, performance, validity and all aspects whatsoever of this Agreement or of any term of this Agreement shall be governed by English law.
- 9.2. The English Courts shall have jurisdiction to settle any dispute which may arise out of or in connection with this Agreement. The jurisdiction agreement contained in this clause is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction. The Trustee and the Award Holder agree to submit to such jurisdiction.

10. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, each of which when so executed will be an original, but all the counterparts will together constitute one and the same agreement.

11. ASSIGNMENT

Unless otherwise agreed in writing between the parties, no party may assign or transfer any of its rights or obligations under this Agreement to any other person. Notwithstanding the foregoing, the Award Holder's right under this Agreement may pass to his personal representatives (or such other persons lawfully allowed to act on behalf of the deceased Award Holder) on his death.

To the extent that either party has acquired the other party's interest under this Agreement in respect of any of the Plan Shares, this Agreement shall cease to apply to those Plan Shares.

SIGNED by the parties on the date first mentioned above

SIGNED by **Pinnacle Trustees Limited** in its capacity as the **trustee of the Orsu Metals Employee Benefit Trust**

.....
Authorised signatory

.....
Authorised signatory

SIGNED by [name of employee]

.....

In the presence of

.....

Witness's signature

Address:

.....

.....

SIGNED by
for and on behalf of
Orsu Metals Corporation

Director

.....
Director/Secretary

Tax Election

Joint Election under s431 ITEPA 2003 for full or partial disapplication of Chapter 2 Income Tax (Earnings and Pensions) Act 2003

One Part Election

1. Between

the Employee[insert
name of employee]
whose National Insurance Number is.....[insert
NINO]
and
the Company (who is the Employee's
employer).....
.....[insert name of company]
of Company Registration Number:..... [insert
CRN]

2. Purpose of Election

This joint election is made pursuant to section 431(1) or 431(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. An election under section 431(2) will ignore one or more of the restrictions in computing the charge on acquisition. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.

3. Application

This joint election is made not later than 14 days after the date of acquisition of the securities by the Employee and applies to:

SCHEDULE "B"

"NOTICES"

- 21.1 Any notice or document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post in a prepaid cover (in such form as any Director or the company secretary may determine) addressed to such Shareholder at his registered address or, subject to applicable securities laws and the rules of any stock exchange on which the Company's securities are listed or admitted to trading, in accordance with the procedure set out in Regulation 21.2.
- 21.2 Subject to applicable securities laws and the rules of any stock exchange on which the Company's securities are listed or admitted to trading, the Company is authorized to use electronic communications with its Shareholders and in particular to send or supply documents or information to its Shareholders by making them available on a website. Accordingly, the Company may, subject to applicable securities laws and the rules of any stock exchange on which the Company's securities are listed or admitted to trading, give or send to any Shareholders any notice or other document (excluding a share certificate) by electronic communication where:
- 21.2.1 the Company and that Shareholder have agreed to the use of electronic communication for the sending or receiving of copies of documents to or by the Shareholder and:
- (a) the documents are documents to which the agreement applies; and
 - (b) copies of the documents are sent or are otherwise receivable or retrievable using electronic communication; or
- 21.2.2 the Company and that Shareholder have agreed, or are deemed to have agreed in accordance with applicable securities laws or the rules of any stock exchange on which the Company's securities are listed or admitted to trading, to that Shareholder having access to documents on a website (instead of the documents being sent to him) and:
- (a) the documents are documents to which the agreement or deemed agreement applies; and
 - (b) the text and images in the documents can be (as appropriate) read or seen using the naked eye; and
 - (c) the Shareholder is notified of:
 - (i) the presence of the documents on a website;
 - (ii) the address of that website;
 - (iii) the place on that website where the documents may be accessed and how they may be accessed; and
 - (iv) the period of time for which the documents will be available on the website is for a period of not less than twenty-eight days from the date of notification or, if later, until the conclusion of any meeting of Shareholders to which the documents relate; and
 - (d) the documents are published on that website throughout the period referred to in Regulation 21.2.2(c)(iv) above, provided that, if the documents are published on

that website for a part but not all of such period, the documents will be treated as published throughout that period if the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- 21.3 Where a notice or other document is given or sent by electronic communication, it shall be deemed to have been given or sent at the expiration of two hours from the time it was sent to an address supplied by the Shareholder or of notification to the Shareholder of its publication on a website or, if later, from the time it was so published after the notification. Subject to applicable securities laws and the rules of any stock exchange on which the Company's securities are listed or admitted to trading, proof that a notice or other document given or sent by electronic communication was given or sent in accordance with current guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was sent or given.
- 21.4 Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail or courier addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail or courier to, the registered agent of the Company, in each case with a copy being sent by registered mail or courier to the company secretary at the principal place of business of the Company in the United Kingdom.
- 21.5 Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company with a copy being sent to the company secretary at the principal place of business of the Company in the United Kingdom, or that it was mailed or delivered to the same (including with a copy to the company secretary) in such time as to admit to its being delivered in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.”