

ORSU METALS CORPORATION
MANAGEMENT INFORMATION CIRCULAR
AS AT JUNE 15, 2009

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 AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION (THE “MEETING”) (AND ANY ADJOURNMENT THEREOF) TO BE HELD ON JULY 10, 2009, AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. While it is expected that the 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 or 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, FOR THE ELECTION OF DIRECTORS, FOR THE RE-APPROVAL OF THE CORPORATION'S AMENDED AND RESTATED STOCK OPTION PLAN, AND FOR THE APPROVAL OF THE DISPOSITION OF THE CORPORATION'S INTEREST IN THE VARVARINSKOYE GOLD-COPPER MINE (THE "VARVARINSKOYE PROJECT"), 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 (the "**Common Shares**") 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 contained in proxy-related 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 June 12, 2009, 456,959,226 Common Shares were issued and outstanding.

Only shareholders of record at the close of business on June 12, 2009 (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 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, except as follows:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Charlemagne Capital (IOM) Limited	74,694,536	16.35%

BUSINESS TO BE CONSIDERED AT THE MEETING

Audited Financial Statements

The Corporation’s consolidated financial statements for the financial year ended December 31, 2008 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, 2008 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 TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.

Election of Directors

The Articles of Association of the Corporation provide that the board of directors (the “**Board of Directors**” or the “**Board**”) must consist of a minimum of three (3) and a maximum of fifteen (15) directors. The term of office of each of the present directors expires at the close of the Meeting and 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 or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of Association of the Corporation or with the provisions of the *BVI Business Companies Act 2004* (British Virgin Islands) (the “Act”).

The following table and notes thereto state the names of all persons proposed to be nominated by management for election as directors (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; Executive Chairman of Everfor Diamonds plc (a diamond exploration company) from 2004 (then Everfor Resources plc) to present.	June 18, 2008	1,200,000
Mr. Takhirzhan T. Baratov Almaty, Kazakhstan, Executive Director	Chairman of the Board of Directors of JSCV Varvarinskoye from December 2004 to present; Executive Director of the Corporation from June 2008 to present.	June 18, 2008	114,500
Dr. Alexander Yakubchuk London, United Kingdom, Director of Exploration and a Director	Director of Exploration of the Corporation from July 2008 to present (having been the Chief Executive Officer of the Corporation from June 2008 to July 2008).	June 18, 2008	Nil
Mr. Massimo Carello⁽³⁾⁽⁴⁾⁽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 Capital Inc. (a leading full-service investment dealer in Canada) from August 2008 to present; Chairman and CEO of Diners Club UK (a credit/charge card company) from 2001 to 2004; International advisor to Aksia Group Spa (a private equity fund) from 2000 to 2006.	September 25, 2008	250,000
Mr. Mark Corra⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada, Non-Executive Director	Senior Vice President, Finance and Chief Financial Officer of B2Gold Corp. (a precious metal exploration company) since April 2007; Vice President, Finance and Principal Financial Officer of Bema Gold Corp. (a gold and silver mining company) from 1990 to April 2007.	July 7, 2008	25,000

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⁾
Mr. Timothy Hanford ⁽³⁾⁽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	50,000

Notes:

- (1) Information as to the residence and principal occupation has been provided by individual directors. In the case of Messrs. Carello and Corra, having not been elected to their present term of office as a director by a vote of securityholders at a meeting, information with respect to their principal occupation has been provided in respect of the last five years.
- (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, 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.**

Re-approval of Stock Option Plan

The Stock Option Plan and Recent Amendments

The Corporation's stock option plan (the "**Plan**") was established to attract, retain and motivate persons as key service providers to the Corporation and its affiliates and to advance the interests of the Corporation by providing such persons with the opportunity, through the exercise of options, to acquire a proprietary interest in the Corporation.

The Toronto Stock Exchange (the "**TSX**") has recently provided guidance that its listed issuers should directly incorporate into their stock option plans certain restrictions imposed by the TSX with respect to amendment procedures (the "**TSX Amendment Restrictions**"). The TSX Amendment Restrictions provide that the following changes or amendments to stock option plans or outstanding options granted thereunder may not be amended without shareholder approval:

1. an increase to the stock option plan's maximum or the number of securities reserved for issuance under the plan;
2. amendment provisions granting additional powers to a board of directors to amend the stock 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 stock option plan which result in shareholder approval being required on a disinterested basis.

On June 9, 2009, the Board approved amendments to the Plan to reflect and incorporate the TSX Amendment Restrictions as well as certain other technical amendments, including those of a “house-keeping” nature or made in furtherance of complying with the rules, policies and notices of the TSX (collectively, the “**Amendments**”). The Plan specifically authorizes the Board, which authorization is in compliance with the rules of the TSX, to make amendments of a “house-keeping” nature or made in furtherance of complying with the rules, policies and notices of the TSX without shareholder approval. As an issuer listed on the TSX, the Corporation became subject to the TSX Amendment Restrictions following the TSX’s adoption of such provisions and the incorporation of the TSX Amendment Restrictions into the Plan is considered to be a change made in furtherance of complying with the policies of the TSX. Accordingly, neither the rules of the TSX nor the provisions of the Plan required shareholder approval in respect of the Amendments. As such, the Amendments form part of the current Plan that shareholders are being asked to re-approve at the Meeting, as described in further detail below.

For further details regarding the Plan, as amended and restated by the Board on June 9, 2009, see “*Securities Authorized for Issuance Under Equity Compensation Plans - Stock Option Plan*” below.

Re-Approval required by the rules of the TSX

The Plan is an “evergreen” or “rolling” stock option plan which provides that the maximum number of Common Shares which may be reserved and set aside for issue pursuant to the exercise of outstanding options may not exceed 10% of the number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. The rules of the TSX require that all unallocated options, rights or other entitlements under such plans must be approved by a majority of the relevant issuer’s directors and by shareholders every three years from its institution and thereafter.

The Board of Directors has unanimously re-approved the Plan and all unallocated options, rights and entitlements thereunder. As the institution of the Plan was approved by shareholders on June 23, 2006, shareholders of the Corporation will be asked at the Meeting to re-approve the Plan and all unallocated options, rights and entitlements thereunder.

The re-approval of the Plan (a copy of which is attached hereto as Schedule “A”) will require the affirmative vote of a majority of the votes cast thereon at the Meeting. Whether or not the resolution is approved, all options currently outstanding under the Plan will remain in effect in accordance with their terms. If the resolution is not approved, the Corporation will no longer have an operative stock option plan and the Board will not be able to issue additional options until such time as another stock option plan is created and approved and the Corporation may consequently have difficulty attracting and retaining highly experienced and qualified personnel.

The text of the proposed resolution to re-approve the Plan and the unallocated options, rights and entitlements thereunder (the “**Plan Resolution**”) is as follows:

“BE IT RESOLVED THAT:

1. the Plan (as defined in the management information circular of Orsu Metals Corporation (the “**Corporation**”)) be and is hereby approved;
2. all unallocated options, rights or other entitlements under the Plan are hereby approved, which approval shall be effective until July 10, 2012; 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 and instruments and to do all

other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, or the taking of any such action.”

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

Disposition of the Varvarinskoye Project

Shareholders are also being asked to consider and, if thought appropriate, approve a resolution (the “**Varvarinskoye Disposition Resolution**”), with or without variation, to authorize the sale by the Corporation of 100% of the issued and outstanding share capital of one of its direct subsidiaries, Three K Exploration and Mining Limited (“**Three K**”), and, through such sale, the disposition of the Corporation’s interest in its indirectly wholly-owned subsidiary, Joint Stock Company Varvarinskoye (“**JSCV**”), the registered holder of the Varvarinskoye Project. By approving the Varvarinskoye Disposition Resolution at the Meeting, shareholders will thereby be authorizing the sale by the Corporation of the Varvarinskoye Project.

Background to the Varvarinskoye Project Disposition

The Varvarinskoye Project is a 100% owned gold-copper mine located in north-western Kazakhstan producing gold doré and copper-gold concentrate. The mine commenced production of gold doré in December 2007 and copper-gold concentrate in March 2008.

During the year ended December 31, 2008, the Varvarinskoye Project generated revenues of US\$43.7 million, of which US\$16.6 million for the six months to June 30, 2008 were capitalised, as the Varvarinskoye Project was not yet determined to be in commercial production during this period. For the year ended December 31, 2008, the Varvarinskoye Project incurred losses (before income taxes) of US\$220.5 million after asset impairment write-down charges of US\$189 million (the “**Write-Down**”). As at December 31, 2008, total Varvarinskoye Project assets amounted to US\$72 million after the Write-Down. As at December 31, 2008, the Varvarinskoye Project represented approximately 67% of the total assets of the Corporation and approximately 38% of the total property, plant and equipment of the Corporation.

As at the date hereof, the Corporation (directly and/or through its subsidiaries) has outstanding debt and hedging obligations in an aggregate amount of over US\$215 million, which amounts are owing to Investec Bank (UK) Limited, Investec Bank Limited, Natixis Bank and Nedbank Limited (collectively, the “**Lenders**”) under a debt facility (the “**Debt Facility**”) arranged by the Lenders in favour of JSCV to facilitate the construction and development of the Varvarinskoye Project. The Corporation is the guarantor of such debt and of the obligations of European Minerals (UK) Limited (“**EM Limited**”), a wholly-owned subsidiary of the Corporation, under gold hedge (forward sales) contracts (the “**Hedge Contracts**”) relating to the Varvarinskoye Project (collectively, the “**Varvarinskoye Project Debt**”). The Corporation was unable to meet the first debt repayment tranche under the Debt Facility of US\$16.65 million which became due on December 31, 2008. As at the date hereof, the payment of the first tranche remains outstanding and the Corporation is also in breach of the permitted indebtedness covenants under the Debt Facility (the “**Permitted Indebtedness Covenants**”) with respect to its trade creditors, both in respect of amounts and terms. In addition, the Corporation has been unable to meet its settlement

obligations under the Hedge Contracts in the aggregate amount of US\$11,823,250 as they have fallen due between January and May 2009.

While the Corporation, assisted by Endeavour Financial International Corporation, has been working with the Lenders for several months to refinance the Varvarinskoye Project Debt and has presented various proposals to the Lenders in respect of same, satisfactory arrangements have not yet been reached. During this time, the need for additional capital to fund the Varvarinskoye Project has increased and it is estimated that US\$15 million of additional capital (comprised of US\$5 million working capital and US\$10 million for essential capital projects) is required to maintain continued operations at the Varvarinskoye Project.

As an alternative to refinancing the Varvarinskoye Project Debt, management of the Corporation began investigating the possibility of disposing of the Varvarinskoye Project as well as the Varvarinskoye Project Debt. Management undertook this investigation as a result of the length of time that continued discussions with the Lenders required, in light of the lack of refinancing alternatives generally available to the Corporation as a result of the current global credit and equity market conditions and the Corporation's continuing default under the Varvarinskoye Project Debt, and with the desire to maximize shareholder value in the face of alternative scenarios.

The Corporation entered into a sale and purchase agreement (the "SPA") dated June 13, 2009 with Open Joint Stock Company Polymetal ("Polymetal"), a Russian-based mining company, pursuant to which the Corporation has agreed, subject to (among other things) shareholder approval, to sell to Polymetal all of its interest and obligations in the Varvarinskoye Project. The proposed transaction will involve the following:

- EM Limited will novate its Hedge Contracts and related obligations with respect to the Varvarinskoye Project to Three K;
- the Corporation will be released from its obligations as guarantor of the Varvarinskoye Project Debt;
- the Corporation will complete an inter-company debt reorganization such that on completion of the proposed disposition there will be no outstanding indebtedness between the Corporation or any of its remaining subsidiaries and Three K or any of its subsidiaries; and
- Polymetal will thereafter acquire 100% of the issued and outstanding share capital of Three K from the Corporation in exchange for a cash payment of US\$8 million on closing and deferred consideration of up to US\$12 million (contingent on future gold and copper prices and calculated by reference thereto).

Completion of the disposition of the Varvarinskoye Project is conditional upon, among other things:

- approval of the disposition of the Varvarinskoye Project by the Corporation's shareholders;
- obtaining the necessary regulatory consents from the Kazakhstan authorities;
- refinancing arrangements being entered into by each of JSCV, Polymetal and the Lenders as well as agreements being entered into by the Corporation and the Lenders (among others) providing for the unconditional release of the Corporation from its obligations under the Varvarinskoye Project Debt and to effect the novation of the Hedge Contracts to Three K;

- any standstill/waiver agreement between Polymetal, Three K and the Lenders (among others) in respect of the rights of the Lenders under the Varvarinskoye Project Debt being entered into and remaining in full force and effect, or in the event that no standstill agreement is entered into, none of the Lenders having taken any enforcement action in relation to the Varvarinskoye Project Debt;
- the approval of the disposition of the Varvarinskoye Project by Export Credit Insurance Corporation of South Africa (“**ECIC**”), as commercial and political insurer to Nedbank Limited and Investec Bank Limited in respect of their obligations to JSCV under the Debt Facility;
- there having been no material breach by the Corporation of any of its obligations under the SPA;
- there having been, as at the time of closing, no material breach of certain specified key warranties relating to (among other things) the title of the shares of Three K to be sold in connection with the disposition, the validity of the relevant licences and related matters, certain tax matters and insolvency;
- there having been no business interruption that results in the material suspension, cessation or discontinuation of day-to-day mining operations at the Varvarinskoye Project owing to a mechanical or technical fault or failure of any plant, equipment or infrastructure that is incapable of being repaired or replaced within a specified time period or without capital expenditure in excess of a specified amount; and
- approval by the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan of certain proposed amendments to the existing subsoil use contract relating to the Varvarinskoye Project.

Pursuant to the terms of the SPA, the Corporation has given certain customary warranties regarding title, its ability to sell Three K and the business of JSCV. These warranties are subject to certain limitations, including specified time periods within which claims relating to such warranties can be brought and individual and aggregate claims thresholds and liability caps which are customary for a transaction of this nature. The Corporation has also given indemnities relating to certain potential tax liabilities and liabilities connected to certain dormant subsidiaries of Three K which subsidiaries are to be transferred to Polymetal as part of the transaction. The Corporation has also provided certain undertakings to Polymetal to ensure that the business of JSCV will be conducted in the ordinary course (but without any obligation on the Corporation to provide any further funding to JSCV) in the period prior to the completion of the disposition of the Varvarinskoye Project.

The Corporation has also agreed (subject to certain exceptions) not to solicit or employ any person that was an employee of JSCV as at the time of, or during the three month period preceding, the execution of the SPA.

Following the completion of the sale of the Varvarinskoye Project, the Corporation will have no outstanding long-term debt and intends to use the proceeds from the sale of the Varvarinskoye Project to fund the Corporation's operating costs and to fund ongoing exploration activities on its existing properties, as well as any new properties acquired by it.

Alternatives to Varvarinskoye Project Disposition

In the event that the disposition of the Varvarinskoye Project is not approved by shareholders at the Meeting or the proposed transaction does not proceed for some other reason, the Corporation will be forced to consider other alternatives (some or all of which may not be possible), including:

- (a) continuing its discussions with the Lenders in order to arrive at a mutually acceptable solution in respect of the Varvarinskoye Project Debt;
- (b) raising funds from equity or mezzanine finance sources; and
- (c) suspending operations at the Varvarinskoye Project to attempt to mitigate further liabilities while searching for other sale or financing alternatives to preserve shareholder value.

In the event that shareholders do not approve the sale of the Varvarinskoye Project (or the proposed transaction does not proceed for some other reason) and alternative sources of financing cannot be secured in a timely manner to satisfy the Corporation's obligations under the Debt Facility and the Hedge Contracts, the Lenders may, at their discretion, demand immediate repayment of all amounts owing and enforce their security (which includes share and asset pledges covering the Varvarinskoye Project) under the Varvarinskoye Project Debt. In addition, the default provisions under the Hedge Contracts entitle the hedging counterparties to terminate any open derivative positions and seek full repayment for all unsettled derivative obligations. If any such action is taken by either the Lenders or the counterparties, this could result in the Corporation losing its interest in the Varvarinskoye Project.

The Corporation anticipates that, in the absence of additional waivers or modification of the terms of the Debt Facility, it will remain unable to meet its 2009 scheduled repayment obligations, will remain in breach of its repayment terms and the Permitted Indebtedness Covenants, and is likely to breach additional covenants under the Debt Facility. While the Corporation has been successful in the past in renegotiating the Debt Facility and modifying the repayment and forward contract obligation terms thereunder, there can be no assurance that it will be successful in doing so in the future. As of March 31, 2009, the Corporation had a working capital deficit of US\$162.4 million, accumulated losses of US\$536 million and shareholders' deficiency of US\$103 million.

The Board considers the viable alternatives to the disposition of the Varvarinskoye Project to be limited due to the current status of the Varvarinskoye Project Debt, the limited equity and mezzanine finance markets for mining exploration companies at the present time and the Corporation's current working capital position. Management of the Corporation and the Board have determined that it is in the best interests of the Corporation to dispose of the Varvarinskoye Project.

Shareholder Approval

Section 175 of the Act provides, *inter alia*, that, subject to a company's memorandum or articles of association, any sale, transfer, lease, exchange or other disposition (not including a mortgage, charge or other encumbrance) of more than fifty percent in the value of a company's assets, other than in the usual or regular course of business, must be approved by the directors of the company, and upon the approval of the directors, must be authorised by a resolution of the shareholders. In addition, the Corporation's Articles of Association require that any sale, lease or exchange of all or substantially all of the property of the Corporation, other than in the ordinary course of business, be authorized by shareholders.

As the Varvarinskoye Project constitutes approximately 67% of the value of the Corporation's assets, the proposed disposition of the Varvarinskoye Project requires approval by the Board and by the Corporation's shareholders. The Board has resolved, subject to shareholder approval, to authorize the sale by the Corporation of the Varvarinskoye Project to Polymetal.

The text of the Varvarinskoye Disposition Resolution to be put before shareholders at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. the sale of 100% of the issued and outstanding share capital of Three K Exploration and Mining Limited (the “**Shares**”) by Orsu Metals Corporation (the “**Corporation**”) to Open Joint Stock Company Polymetal be formally approved for the purposes of section 175 of the *BVI Business Companies Act, 2004*;
2. 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 and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, or the taking of any such action.”

Under the Act, shareholders entitled to vote on the Varvarinskoye Disposition Resolution may dissent and be entitled to payment of the fair value of their Common Shares. See “*Dissent Rights*” below.”

The Board unanimously recommends that shareholders vote in favour of the Varvarinskoye Disposition Resolution. The Board considers the proposed transaction with Polymetal to be the most viable and effective option to stabilize the Corporation's financial position while creating a platform from which the Corporation can continue to grow. Through the sale of the Varvarinskoye Project, the Corporation will eliminate the majority of its liabilities, thereby allowing the Corporation to use its cash and other resources to advance the exploration and development of its remaining exploration projects and to better position itself to take advantage of future financing opportunities and growth strategies.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE VARVARINSKOYE DISPOSITION RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Dissent Rights

The dissent rights and procedures provided by section 179 of the Act are summarized below and the full text of section 179 is set out in Schedule “B” hereto. The following description of dissent rights is not a comprehensive statement of such rights and the procedures to be followed by a shareholder wishing to exercise such rights and is qualified in its entirety by reference to the full text of section 179 of the Act set out in Schedule “B” hereto. Shareholders who wish to exercise dissent rights should seek legal advice.

Section 179 of the Act provides, inter alia, that a member (shareholder) of a company is entitled to the fair value of his, her or its shares upon dissenting from any sale, transfer, lease, exchange or other disposition of more than fifty percent in the value of the assets or business of the company, if not made in the usual or regular course of the business carried on by the company.

A shareholder who desires to exercise his, her or its entitlement to dissent from the sale of the Varvarinskoye Project must give to the Corporation, before the Meeting, or at the Meeting but before the vote to dispose of the Varvarinskoye Project, written objection to the sale of the Varvarinskoye Project. The written objection must include a statement that the shareholder proposes to demand payment for his, her or its Common Shares if the sale of the Varvarinskoye Project is proceeded with.

Within twenty (20) days immediately following the date on which the vote of the shareholders authorizing the disposition of the Varvarinskoye Project is taken, the Corporation must give written notice of such authorization (the “**Notice**”) to each shareholder who gave written objection or from whom written objection was not required, in accordance with the requirements of the Act.

A shareholder desiring to dissent must thereafter provide the Corporation with notice of his, her or its decision to elect to dissent in the form prescribed by section 179(5) of the Act within twenty (20) days (the “**Expiry Time**”) after receiving the Notice, stating:

- (a) his, her or its name and address;
- (b) the number and classes of shares in respect of which he, she or it dissents; and
- (c) a demand for payment of the fair value of his, her or its Common Shares.

A shareholder electing to dissent must do so in respect of all of the Common Shares he, she or it holds in the Corporation, and upon giving notice of his, her or its election to dissent, the shareholder to whom the notice relates ceases to have any of the rights of a shareholder except the right to be paid the fair value of his, her or its Common Shares.

Within seven (7) days immediately following the Expiry Time, or within seven (7) days immediately following the date on which the sale of the Varvarinskoye Project is put into effect, whichever is later, the Corporation must make a written offer to each dissenting shareholder to purchase his, her or its Common Shares at a specified price that the Corporation determines to be the fair value therefor, and if, within thirty (30) days immediately following the date on which the offer is made, the Corporation and the dissenting shareholder agree upon the price to be paid for his, her or its Common Shares, the Corporation must pay such funds to the shareholder upon the surrender of the certificates representing his, her or its Common Shares.

If the Corporation and dissenting shareholder fail, within the thirty (30) day period referred to above, to agree on the price to be paid for the Common Shares, within twenty (20) days immediately following the date on which such thirty (30) day period expires, the following will apply:

- (a) the Corporation and the dissenting shareholder must each designate an appraiser;
- (b) the two designated appraisers together must designate an appraiser;
- (c) the three appraisers must fix the fair value of the Common Shares owned by the dissenting shareholder as of the close of business on the day prior to the date on which the shareholders of the Corporation voted authorizing the disposition of the Varvarinskoye Project, excluding any appreciation or depreciation directly or indirectly induced by such sale or its proposal, and such value is thereafter binding on the Corporation and the dissenting shareholder for all purposes; and

- (d) the Corporation must pay to the shareholder the amount in money in respect of the amount so fixed upon the surrender by him, her or it of the certificates representing the Common Shares.

ANY SHAREHOLDER ELECTING TO DISSENT SHOULD NOTE THAT, IN CALCULATING THE FAIR VALUE OF A DISSENTING SHAREHOLDER'S SHARES, NO ACCOUNT WILL BE TAKEN OF ANY APPRECIATION OR DEPRECIATION DIRECTLY OR INDIRECTLY INDUCED BY THE PROPOSED DISPOSITION OF THE VARVARINSKOYE PROJECT. SHAREHOLDERS ARE REFERRED TO THE DESCRIPTION ON PAGE 12 OF THE LIMITED OPTIONS THAT WOULD BE AVAILABLE TO THE CORPORATION IN THE ABSENCE OF THE PROPOSED TRANSACTION AND THE POTENTIAL OUTCOMES.

EXECUTIVE COMPENSATION

The Corporation reports its financial results in US dollars. In this executive compensation disclosure \$, USD and US\$ means US dollars.

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 eight identified named executive officers (the "NEOs") for 2008. As of December 31, 2008, the Corporation had five senior officers who qualified as NEOs, being Dr. Sergey V. Kurzin, Executive Chairman; Mr. Alexander Yakubchuk, Director of Exploration; Mr. Petro Mychalkiw, Chief Financial Officer; Mr. Takhirzhan Baratov, Executive Director; and Mr. Randy Reichert, Chief Operations Officer. In addition, Mr. Anthony J. Williams served as Chairman and a director of the Corporation, Mr. William G. Kennedy served as President, Chief Executive Officer and a director of the Corporation and Mr. James Cole served as the Chief Financial Officer of the Corporation until the completion of the Corporation's acquisition of Lero Gold Corp. ("Lero") on June 19, 2008 (the "**Lero Transaction**") and are considered to be NEOs for the purposes of this compensation disclosure.

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. The Compensation Committee is comprised of three directors, namely Mr. Timothy Hanford (Chair), 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**").

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 senior officers. 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 senior officer or director compensation.

When determining senior officer compensation, the Compensation Committee evaluates the officer's performance, including reviewing the Corporation's performance as against its business plans and the officer'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 considerations.

The Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, cash incentives, prior awards under the Plan 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 officer's compensation upon appointment of such officer or completion of corporate restructuring. The Board determines the particulars with respect to all options granted. The exercise price of each option awarded under the Plan is the closing market price of the Common Shares on the day preceding the grant.

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. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives and within the financial resources of the Corporation, such that the financial interests of the senior officers are matched with the financial interests of the shareholders.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Corporation's senior officers 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 ensures access to skilled employees necessary to achieve corporate objectives.
Cash Incentives/Bonus Payments	Motivate and Reward	Cash incentives and/or bonuses payments focus senior officers on the achievement of corporate objectives and reward exceptional performance.
Stock Options	Motivate and Reward Align interests with shareholders	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.
Benefits	Attract and Retain	Competitive benefits ensure access to skilled employees necessary to achieve corporate objectives.

2008 Performance and Compensation

The Corporation is a mining, production, exploration and development company. Given the early stage of the Corporation's production properties and its involvement in the exploration and development 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 senior officers is based, in substantial part, on trends in the mining industry as well as achievement of the Corporation's business objectives. The Compensation Committee did not establish any quantifiable criteria in 2008 with respect to base salaries and incentives payable or the amount of equity compensation granted to NEOs.

Base Salaries and Consultant Fees

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

The following NEOs, who were executive officers of Lero, received increases in their base salaries following the completion of the Lero Transaction. Such increases were due to the increase in the size of the merged Corporation and amount of work and responsibilities in the new positions with the Corporation.

Dr. Kurzin:	<i>Lero (part time) salary GBP £150,000, increased in the Corporation to (full time) salary of GBP £275,000.</i>
Mr. Yakubchuk:	<i>Lero salary GBP £150,000, increased in the Corporation to GBP £170,000</i>
Mr. Mychalkiw:	<i>Lero salary GBP £140,000, increased in the Corporation to GBP £150,000</i>

Cash Incentives and Bonus Payments

The Corporation has established a cash incentive program (the “**Bonus Plan**”) to be competitive from a total remuneration standpoint and to provide it with the ability to recognize outstanding senior officer performance. As a result, the Compensation Committee has been provided with the discretion to award bonuses when senior officers demonstrate exceptional performance and when the Corporation is in the financial position to make such awards.

In connection with the successful completion of the Lero Transaction, certain NEOs were paid a cash bonus in 2008 to recognize their role in the successful completion of the Lero Transaction, which involved a significant level of participation and amount of overtime work. Total bonuses paid to NEOs in 2008 were as follows:

Dr. Kurzin:	<i>GBP £95,000 (US\$188,186⁽¹⁾)</i>
Mr. Yakubchuk:	<i>GBP £60,000 (US\$118,854⁽¹⁾)</i>
Mr. Baratov:	<i>GBP £60,000 (US\$118,854⁽¹⁾)</i>
Mr. Mychalkiw:	<i>GBP £65,000 (US\$128,759⁽¹⁾)</i>
Mr. Reichert:	<i>GBP £50,000 (US\$99,045⁽¹⁾)</i>

Note:

(1) The U.S. dollar amounts are based on an exchange rate of 1.9809 for GBP £ to US\$ as of July 31, 2008.

Stock Options

The grant of options to purchase Common Shares pursuant to the Plan is an integral component of the compensation packages of the senior officers of the Corporation. The Compensation Committee believes that the grant of options to senior officers 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. Options are awarded to employees of the Corporation by the Board based upon the recommendation of the Compensation Committee, which bases its decisions upon the level of responsibility and contribution of the individuals toward the Corporation’s goal and objectives. 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 and the size of such grants. The Compensation Committee’s decisions with respect to the granting of options are reviewed by the Board and are subject to its final approval. See “*Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan*” below for a detailed description of the Plan.

In 2008, the following options were granted to the NEOs on the basis of the above factors and as further detailed below:

Dr. Kurzin	4,000,000 options on July 11, 2008 at CAD\$0.83 (appointment as Executive Chairman of the Corporation)
Mr. Yakubchuk	1,000,000 options on January 18, 2008 at CAD\$0.53 (appointment as CEO of Lero); and 1,500,000 options on July 11, 2008 at CAD\$0.83 (appointment as CEO of the Corporation)

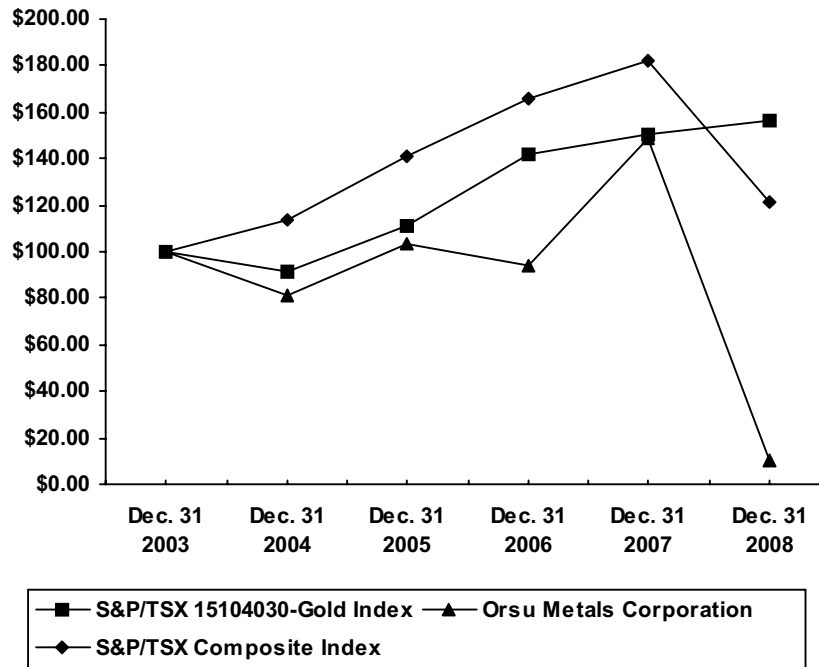
Mr. Baratov	2,500,000 options on July 11, 2008 at CAD\$0.83 (appointment as Executive Director of the Corporation)
Mr. Mychalkiw	1,750,000 options on July 11, 2008 at CAD\$0.83 (appointment as CFO of the Corporation)
Mr. Reichert	2,000,000 options on July 11, 2008 at CAD\$0.83 (appointment as COO of the Corporation)

Benefits and Perks

The NEOs are eligible to participate in the same benefits as 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, motivate 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, 2003 to December 31, 2008, based upon a CAD\$100 investment made on December 31, 2003 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:



*Amounts reflected in table above are in Canadian dollars.

As described above, the Compensation Committee considers 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 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 value until 2007 and a sharp decline in cumulative total shareholder return in 2008. 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 as a result of delays in ramping up to commercial production levels at the Varvarinskoye Project and the volatility and general decline in the current global credit markets in conjunction with the uncertainty over the need to both re-finance the Corporation's existing debt facilities as well as the need for additional capital. Executive compensation over the same five-year period has generally increased, with the increase in 2008 being disproportionate as a result of termination payments being made to former executive officers of the Corporation in connection with the completion of the Lero Transaction. However, given the anomalous nature of such payments and that the Corporation's executive management was substantially replaced during 2008, the Board does not believe that the historical trend in executive compensation is likely representative of the Corporation's current executive compensation program. Accordingly, it is not possible to make any meaningful comparison between the Corporation's shareholder return over the last five years and the current executive compensation program.

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 fiscal year ended December 31, 2008:

Name and Principal Position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation ⁽²⁾ Annual Incentive Plan (US\$)	All other Compensation ⁽³⁾ (US\$)	Total Compensation (US\$)
Dr. S.V. Kurzin ⁽⁴⁾ Executive Chairman	2008	\$319,964 ⁽¹³⁾	N/A	\$1,475,704 ⁽¹⁾	\$176,016 ⁽¹³⁾	Nil	\$1,971,684
A. Yakubchuk ⁽⁵⁾ Director of Exploration	2008	\$180,648 ⁽¹³⁾	N/A	\$1,056,612 ⁽¹⁴⁾	\$111,168 ⁽¹³⁾	Nil	\$1,348,428
P. Mychalkiw ⁽⁶⁾ Chief Financial Officer	2008	\$178,536 ⁽¹³⁾	N/A	\$645,621 ⁽¹⁾	\$120,432 ⁽¹³⁾	Nil	\$ 944,589
T. Baratov ⁽⁷⁾ Executive Director	2008	\$199,176 ⁽¹³⁾	N/A	\$922,315 ⁽¹⁾	\$111,168 ⁽¹³⁾	Nil	\$1,232,659
R. Reichert ⁽⁸⁾ Chief Operations Officer	2008	\$220,906 ⁽¹³⁾	N/A	\$737,852 ⁽¹⁾	\$ 92,640 ⁽¹³⁾	Nil	\$1,051,398

A. J. Williams ⁽⁹⁾ Chairman	2008	\$322,336 ⁽¹³⁾	N/A	Nil	Nil	1,028,652 ⁽¹²⁾⁽¹³⁾	\$1,350,988
W. G. Kennedy ⁽¹⁰⁾ President and Chief Executive Officer	2008	\$648,419 ⁽¹³⁾	N/A	Nil	Nil	1,346,203 ⁽¹²⁾⁽¹³⁾⁽¹⁵⁾	\$1,883,454
J. Cole ⁽¹¹⁾ Chief Financial Officer	2008	\$101,904 ⁽¹³⁾	N/A	Nil	Nil	203,808 ⁽¹²⁾⁽¹³⁾	\$ 305,712

Notes:

- (1) Amount represents the grant date fair value of the options awarded in 2008. 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 US 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.
- (2) Includes the dollar value of annual bonus payments paid in relation to the completion of the Lero Transaction.
- (3) Includes benefits and all other compensation paid or payable to NEOs for services in 2008.
- (4) Dr. Kurzin became a director and was appointed as the Executive Chairman on June 18, 2008. Prior to the Lero Transaction, Dr. Kurzin was a director and Executive Chairman of Lero. Amounts reported include compensation paid and payable to Dr. Kurzin for services rendered to the Corporation and Lero in 2008.
- (5) 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, however, Dr. Yakubchuk continues 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 include compensation paid and payable to Dr. Yakubchuk for services rendered to the Corporation and Lero in 2008.
- (6) 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 include compensation paid and payable to Mr. Mychalkiw for services rendered to the Corporation and Lero in 2008.
- (7) Mr. Baratov became a director and was appointed as the Executive Director on June 18, 2008. Amounts reported include compensation paid and payable to Mr. Baratov for services rendered to the Corporation in 2008.
- (8) Mr. Reichert became the Chief Operating Officer of the Corporation on June 18, 2008. Prior to the Lero Transaction, Mr. Reichert was Chief Operating Officer of Lero. Amounts reported include compensation paid and payable to Mr. Reichert for services rendered to the Corporation and Lero in 2008.
- (9) Mr. Williams was the Chairman of the Corporation until the completion of the Lero Transaction. Amounts reported represent compensation paid to Mr. Williams for services to the Corporation prior to that date.
- (10) Mr. Kennedy was the President and Chief Executive Officer of the Corporation until the completion of the Lero Transaction and was also a director until September 25, 2008. In addition, Mr. Kennedy acted as a consultant to the Corporation following the completion of the Lero Transaction until March 31, 2009. Amounts reported represent compensation paid to Mr. Kennedy for services to the Corporation in 2008, noting that Mr. Kennedy received such compensation in his capacity as an officer and director of the Corporation prior to the completion of the Lero Transaction and thereafter, in his capacity as a consultant to the Corporation.
- (11) Mr. Cole was the Chief Financial Officer of the Corporation until the completion of the Lero Transaction. Amounts reported represent the compensation paid to Mr. Cole for services to the Corporation prior to that date.
- (12) In connection with the completion of the Lero Transaction, the identified NEOs ceased to be officers and directors of the Corporation (as applicable) and amounts reported represent termination payments paid to such individuals and, in the case of Mr. Kennedy, the amount reported also includes compensation paid to Mr. Kennedy (being £10,000 per month) in his capacity as a consultant to the Corporation following the completion of the Lero Transaction.
- (13) The average 2008 conversion rate used for GBP(£)/USD(\$) = 1.8528.
- (14) Mr. 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. 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 US 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. 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 US 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.

Incentive Plan Awards

The following table provides details regarding outstanding NEO option and share-based awards as at December 31, 2008:

Outstanding share-based awards and option-based awards							
Name	Option-based Awards					Share-based Awards	
	Date of Grant	Number of securities underlying unexercised Options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options ⁽²⁾ (\$)	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	24-Jul-2006	1,000,000	CAD\$0.35	24-Jul-2011	Nil	N/A	N/A
	11-Jul-2008	4,000,000	CAD\$0.83	12-Jul-2015			
A. Yakubchuk	18-Jan-2008	1,000,000	CAD\$0.53	18-Jan-2013	Nil	N/A	N/A
	11-Jul-2008	1,500,000	CAD\$0.83	12-Jul-2015			
P. Mychalkiw	11-Jul-2008	1,750,000	CAD\$0.83	12-Jul-2015	Nil	N/A	N/A
T. Baratov	01-Apr-2006	200,000	CAD\$1.09	31-Mar-2009	Nil	N/A	N/A
	07-Nov-2006	200,000	CAD\$0.84	06-Nov-2009			
	04-Apr-2007	100,000	CAD\$1.26	03-Apr-2012			
	24-Jul-2006	500,000	CAD\$0.35	24-Jul-2011			
	11-Jul-2008	2,500,000	CAD\$0.83	12-Jul-2015			
R. Reichert	11-Jul-2008	2,000,000	CAD\$0.83	12-Jul-2015	Nil	N/A	N/A
A. J. Williams	16-Oct-2006	800,000	US\$0.425	16-Oct-2009	Nil	N/A	N/A
	01-Apr-2006	1,800,000	CAD\$1.09	31-Mar-2009			
	07-Nov-2006	1,500,000	CAD\$0.84	06-Nov-2009			
	04-Apr-2007	1,000,000	CAD\$1.26	03-Apr-2012			
W. G. Kennedy	16-Oct-2006	700,000	US\$0.425	16-Oct-2009	Nil	N/A	N/A
	01-Apr-2006	1,800,000	CAD\$1.09	31-Mar-2009			
	07-Nov-2006	1,500,000	CAD\$0.84	06-Nov-2009			
	04-Apr-2007	1,100,000	CAD\$1.26	03-Apr-2012			
J. Cole	13-Nov-2006	500,000	CAD\$0.82	12-Nov-2009	Nil	N/A	N/A
	04-Apr-2007	250,000	CAD\$1.26	03-Apr-2012			

Notes:

- (1) Options granted in 2008 vest in four equal quarterly instalments.
- (2) These options were not in-the-money on December 31, 2008 (based on the closing price of the Common Shares on the TSX of \$0.10.)

Please see “2008 Performance and Compensation - Stock Options” above for a discussion of the Plan and determinations of awards during 2008. Please see “Securities Authorized for Issuance under Equity Compensation Plans - Stock Option Plan” below for details regarding the Plan.

The following table provides details regarding outstanding NEO option-based awards, share-based awards and non-equity incentive plan compensation, which vested and/or was earned during the year ended December 31, 2008:

Incentive plan awards - value vested or earned during the year			
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 ⁽¹⁾ (\$)
Dr. S.V. Kurzin	\$768,592	N/A	N/A
A. Yakubchuk	\$791,445	N/A	N/A
P. Mychalkiw	\$336,259	N/A	N/A

T. Baratov	\$480,370	N/A	N/A
R. Reichert	\$384,296	N/A	N/A
A. J. Williams	Nil	N/A	N/A
W. G. Kennedy	Nil	N/A	N/A
J. Cole	\$21,250	N/A	N/A

Notes:

- (1) Identifies the aggregate dollar value that would have been realized by the NEO if the NEO had exercised all options exercisable under the option-based award on the vesting date(s) thereof.
- (2) Amount reported is the amount of the annual cash bonus paid for performance in 2008.

Termination and Change of Control Benefits

All existing NEOs have executive employment agreements with the Corporation. Each 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.

Further to his executive employment agreement with the Corporation, Mr. Reichert also has a consulting services agreement with Three K.

Each of the above-mentioned executive employment agreements with the existing NEOs 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 or was, as the case may be, entitled to receive a sum equal to: 100% of his annual basic salary upon a "change of control" during 2008; 200% of his annual basic salary upon a "change of control" during 2009; and 300% of his annual basic salary in the event of a "change of control" following December 31, 2009. 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, Dr. Yakubchuk is or was, as the case may be, entitled to receive a sum equal to: 25% of his annual basic salary upon a "change of control" during 2008; 50% of his annual basic salary upon a "change of control" during 2009; 100% of his annual basic salary upon a "change of control" during 2010; and 200% of his annual basic 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".

Under the executive employment agreement dated December 12, 2008 between the Corporation and Mr. Petro Mychalkiw, Mr. Mychalkiw is or was, as the case may be, entitled to receive a sum equal to: 25% of his aggregate total salary from the Corporation and its subsidiaries (“**Total Salary**”) upon a “change of control” during 2008; 50% of his Total Salary upon a “change of control” during 2009; 100% of his Total Salary upon 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”.

Under the executive employment agreement dated October 12, 2008 between the Corporation and Mr. Randy Reichert, Mr. Reichert is or was, as the case may be, entitled to receive a sum equal to: 25% of his annual basic salary upon a “change of control” during 2008; 50% of his annual basic salary upon a “change of control” during 2009; 100% of his annual basic salary upon a “change of control” during 2010; and 200% of his annual basic 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”.

In addition, under his executive employment agreement dated October 12, 2008 with Three K, Mr. Reichert is or was, as the case may be, entitled to receive a sum equal to: three times his monthly services fee (the “**Fee**”) upon a “change of control” during 2008; six times his Fee upon a “change of control” during 2009; one year’s worth of his Fee upon a “change of control” during 2010; and two year’s worth of his Fee 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”.

Under the executive employment agreement dated October 12, 2008 between the Corporation and Mr. Takhirzhan Baratov, Mr. Baratov is or was, as the case may be, entitled to receive a sum equal to: 50% of his annual basic salary upon a “change of control” during 2008; 100% of his annual basic salary upon a “change of control” during 2009; 200% of his annual basic salary upon a “change of control” during 2010; and 300% of his annual basic 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, 2008, the existing NEOs would have been entitled to the following payments pursuant to their respective executive employment agreements: Dr. Kurzin, *GBP £275,000 (US\$395,395)*; Mr. Baratov, *GBP £107,500 (US\$154,564)*; Mr. Yakubchuk, *GBP £42,500 (US\$61,107)*; Mr. Reichert, *GBP £ 59,800 (US\$85,980)* in aggregate; and Mr. Mychalkiw, *GBP £37,500 (US\$53,918)*. The foregoing U.S. dollar amounts are based on an exchange rate of 1.4378 for GBP £ to US\$ as of December 31, 2008.

Please see “*Executive Compensation: Tables and Narrative - Summary Compensation Table*” above for disclosure relating to termination payments made to Messrs. Williams, Kennedy and Cole in connection with the completion of the Lero Transaction.

Director Compensation

Pursuant to the current director compensation program, non-executive directors are each paid a US\$46,320 annual retainer. 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 Plan as recommended by the Compensation Committee and determined by the Board. 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 of the Corporation 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 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, 2008, 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, 2008:

Name	Fees earned (US\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (US\$)	Non-equity incentive plan compensation (US\$)	All other Compensation (\$)	Total (US\$)
(a)	(b)	(c)	(d)	(e)	(g)	(h)
Massimo Carello ⁽⁶⁾	\$17,370 ⁽¹¹⁾	N/A	\$139,188 ⁽⁴⁾⁽⁵⁾	N/A	N/A	\$156,558
Mark Corra ⁽⁷⁾	\$44,893 ⁽¹¹⁾	N/A	\$184,463 ⁽³⁾	\$46,320 ⁽⁷⁾⁽¹¹⁾	N/A	\$275,676
Timothy Hanford ⁽⁸⁾	\$46,320 ⁽¹¹⁾	N/A	\$184,463 ⁽³⁾	N/A	N/A	\$230,783
Barry D. Rayment ⁽⁹⁾	\$55,662 ⁽¹¹⁾	N/A	Nil	\$46,320 ⁽⁹⁾⁽¹¹⁾	N/A	\$101,982
J. Merfyn Roberts ⁽¹⁰⁾	\$46,320 ⁽¹¹⁾	N/A	Nil	N/A	N/A	\$46,320

Notes:

- (1) Dr. Sergey V. Kurzin, Mr. Alexander Yakubchuk and Mr. Takhirzhan Baratov are current directors and officers of the Corporation. Any amounts received by Dr. Kurzin, Mr. Yakubchuk and Mr. Baratov for their services as directors are reported in the Summary Compensation Table under “*Executive Compensation: Tables and Narrative*” above.
- (2) Mr. Anthony J. Williams and Mr. William G. Kennedy are former directors and officers of the Corporation. Any amounts received by Mr. Williams and Mr. Kennedy for their services as directors in 2008 are reported in the Summary Compensation Table under “*Executive Compensation: Tables and Narrative*” above.
- (3) Amount represents the grant date fair value of the options awarded in 2008. 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 US conversion rate of 1.0099 on July 11, 2008), 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.
- (4) Amount represents the grant date fair value of the options awarded in 2008. 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\$0.28 (using the US conversion rate of 1.0333 on September 25, 2008), 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.
- (5) Amount represents the grant date fair value of the options awarded in 2008. 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\$1.03 (using the US conversion rate of 1.0127 on June 19, 2008), 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.
- (6) Mr. Carello became a director of the Corporation on September 25, 2008 and amounts reported reflect all compensation paid or payable to Mr. Carello for services in 2008 from the date of his appointment to the board.
- (7) Mr. Corra became a director of the Corporation on July 7, 2008. Prior to the Lero Transaction, Mr. Corra was a director of Lero. Amounts reported reflect all compensation paid or payable to Mr. Corra for services to the Corporation and Lero in 2008.
- (8) Directors fees payable to Mr. Hanford were paid to Vitae Trading Company Limited, a corporation beneficially owned by Mr. Hanford.

- (9) Dr. Rayment ceased to sit as a director of the Corporation effective June 18, 2008 in connection with the Lero Transaction. Amounts reported reflect all compensation paid or payable to Dr. Rayment for his services in 2008 prior to such date. Directors fees and consulting fees payable to Dr. Rayment were paid to Mining Assets Corp., a corporation beneficially owned by Dr. Rayment.
- (10) Mr. Roberts ceased to sit as a director of the Corporation effective September 25, 2008 in connection with the Lero Transaction. Amounts reported reflect all compensation paid or payable to Mr. Roberts for his services in 2008 prior to such date. Directors fees payable to Mr. Roberts were paid to Match Number Limited, a corporation beneficially owned by Mr. Roberts.
- (11) The average 2008 conversion rate used for GBP(£)/USD(\$) = 1.8528.

Incentive Plan Awards

The following table provides details regarding the outstanding option and share based awards held by individuals who acted as directors (and are not NEOs) during the year ended December 31, 2008 as at the year-end:

<i>Outstanding share-based awards and option-based awards</i>							
Name	Option-based Awards					Share-based Awards	
	Option grant date	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date	Aggregate value of unexercised in-the-money options ⁽¹⁾ (\$)	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	03-Mar-2008 25-Sept-2008	200,000 300,000	CAD\$0.56 CAD\$0.24	03-Mar-2013 25-Sept-2015	Nil	N/A	N/A
Mark Corra	03-Aug-2007 11-Jul-2008	200,000 500,000	CAD\$0.38 CAD\$0.83	03-Aug-2012 12-Jul-2015	Nil	N/A	N/A
Timothy Hanford	07-Nov-2006 04-Apr-2007 11-Jul-2008	200,000 100,000 500,000	CAD\$0.84 CAD\$1.26 CAD\$0.83	06-Nov-2009 03-Apr-2012 12-Jul-2015	Nil	N/A	N/A
Barry D. Rayment	01-Apr-2006 07-Nov-2006 04-Apr-2007	200,000 400,000 200,000	CAD\$1.09 CAD\$0.84 CAD\$1.26	31-Mar-2009 06-Nov-2009 03-Apr-2012	Nil	N/A	N/A
Merfyn Roberts	28-Jan-2005 01-Apr-2006 07-Nov-2006 04-Apr-2007	100,000 200,000 200,000 100,000	CAD\$0.73 CAD\$1.09 CAD\$0.84 CAD\$1.26	28-Jan-2011 31-Mar-2009 06-Nov-2009 03-Apr-2012	Nil	N/A	N/A

Notes:

- (1) Options granted in 2008 vest in four equal quarterly instalments.
- (2) None of the options were in-the-money on December 31, 2008 (based on the closing price of the Common Shares on the TSX of \$0.10.).

The following table provides details regarding outstanding director option-based awards, share-based awards and non-equity incentive plan compensation, which vested and/or was earned by directors (who were not NEOs) during the year ended December 31, 2008:

<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 ⁽¹⁾ (\$)
Massimo Carello	\$116,796	N/A	N/A

Mark Corra	\$96,074	N/A	N/A
Timothy Hanford	\$96,074	N/A	N/A
Barry D. Rayment	Nil	N/A	N/A
Merfyn Roberts	Nil	N/A	N/A

Note:

- (1) Identifies the aggregate dollar value that would have been realized by the NEO if the NEO had exercised all options exercisable under the option-based award on the vesting date(s) thereof.
- (2) Amount reported is the amount of the annual cash bonus paid for performance in 2008.

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2008 with respect to Common Shares that may be issued pursuant to options granted under the Plan, the Corporation’s only equity compensation plan:

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⁾ (excluding securities reflected in column (a))
(a)	(b)	(c)	
Equity compensation plans approved by securityholders	41,890,000	CAD\$0.84	3,805,922
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	41,890,000	CAD\$0.84	3,805,922

Note:

- (1) The maximum aggregate number of Common Shares which may be issued under the Plan is equal to 10% of the aggregate number of Common Shares (calculated on a non-diluted basis) outstanding from time to time.

Stock Option Plan

The following is a summary of the material terms of the Plan, as amended and restated by the Board on June 9, 2009. A complete copy of the Plan is attached hereto as Schedule “A”.

- The aggregate number of Common Shares which may be issued under the 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 Plan which has been exercised will again be available for subsequent grant under the Plan, effectively resulting in a re-loading of the

number of Common Shares available for grant under the Plan. Any Common Shares subject to an option granted under the 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 Plan. As at the date hereof, the number of Common Shares issuable on the exercise of options could not exceed 45,695,922 Common Shares. Options to purchase 41,575,000 Common Shares (representing approximately 9.1% of the Corporation's currently issued and outstanding Common Shares) have been granted and are currently outstanding under the Plan, leaving an additional 4,120,922 options available for grant pursuant to the Plan.

- Options may be granted under the Plan to any director, officer or employee of the Corporation or any affiliate of the Corporation or to any other service provider (as that term is defined in the Plan), or employee of a service provider, that provides management or consulting services to the Corporation. The maximum number of Common Shares which may be reserved for issuance to any one person under the Plan or any other security based compensation arrangement of the Corporation 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 Plan, together with any other security based compensation arrangement of the Corporation, 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 Plan, options granted under the 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 Plan, the Board has the authority to amend the assignability and transferability provisions of the 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 Plan, determine that additional provisions relating to entitlement upon an optionee ceasing to be an eligible person under the 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 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 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 Plan. In the event of the termination of the 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 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 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 Plan's maximum or the number of securities reserved for issuance under the Plan;
 2. amendment provisions granting additional powers to the Board to amend the 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 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 Plan concerning the effect of a termination of an optionee's status as an eligible person under the Plan do not apply; accelerating the expiry date of options; amending the definitions contained in the 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 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 Plan to facilitate the purchase of securities thereunder.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

As of the date of this Information Circular or 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 UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

No director or executive officer of the Corporation, proposed nominee for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed nominee 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, which 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, three of whom the Board has determined are “independent” directors within the meaning of NI 58-101. Messrs. Carello, Corra and Hanford 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), Mr. Takhirzhan Baratov (who is also Executive Director) and Dr. Alexander Yakubchuk (who is also Director of Exploration) 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, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in NI 58-101, the Board intends 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
Dr. Sergey V. Kurzin	Everfor Resources Plc
Mr. Massimo Carello	Uranium One Inc. Canaccord Capital Inc.
Mr. Mark Corra	Sunridge Gold Corp.
Mr. Timothy Hanford	Encore Capital Group

The attendance record of each director for all board and committee meetings held since the beginning of the financial year ended December 31, 2008 is as follows:

Director	Board⁽⁷⁾	Audit Committee⁽⁷⁾	Compensation Committee⁽⁷⁾	Governance and Nominating Committee⁽⁷⁾
Dr. S.V. Kurzin ⁽¹⁾	7 of 7	N/A	N/A	N/A
T. Baratov ⁽¹⁾	2 of 7	N/A	N/A	N/A
A. Yakubchuk ⁽¹⁾	6 of 7	N/A	N/A	N/A

Director	Board⁽⁷⁾	Audit Committee⁽⁷⁾	Compensation Committee⁽⁷⁾	Governance and Nominating Committee⁽⁷⁾
M. Carello ⁽²⁾	5 of 5	1 of 2	-	1 of 1
T. J. Hanford ⁽³⁾	10 of 12	2 of 2	1 of 1	1 of 1
M. Corra ⁽⁴⁾	6 of 7	2 of 2	1 of 1	1 of 1
A. J. Williams ⁽⁵⁾	5 of 5	N/A	N/A	N/A
W. G. Kennedy ⁽⁶⁾	7 of 7	N/A	N/A	N/A
B. D. Rayment ⁽⁵⁾	3 of 5	-	-	N/A
J. M. Roberts ⁽⁶⁾	7 of 7	1 of 2	1 of 1	N/A

Notes:

- (1) Director of the Corporation from June 18, 2008 to present.
- (2) Director of the Corporation from September 25, 2008 to present.
- (3) Director of the Corporation from September 29, 2006 to present.
- (4) Director of the Corporation from July 7, 2008 to present.
- (5) Directors of the Corporation during the most recently completed financial year until June 18, 2008.
- (6) Directors of the Corporation during the most recently completed financial year until September 25, 2008.
- (7) Information provided represents the numbers of meetings attended out of the number of meetings held during each respective individual's tenure.

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 disposal 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, such meetings being held as the needs of the Corporation's business require.

The Board does not currently have in place a programme for succession planning. The Board will consider implementing such a programme 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 and 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 disposals 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 Director of Exploration, who also acts in the capacity of the Corporation's Chief Executive Officer. The Director of Exploration 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 Director of Exploration and management. The Board of Directors and the Director of Exploration review, on a regular basis, the scope and limits of management's responsibilities and powers.

The Board has delegated to management 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.

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.

As stated above, directors are precluded from voting on any matter in which they may have an interest.

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 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 Board reviews directors' compensation on an ongoing basis to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary. For more information on directors' compensation, please see "*Statement of Executive Compensation -- Director Compensation*" above.

The Board has a Compensation Committee comprised of entirely independent directors that 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 -- Compensation Discussion and Analysis*" 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 and its committees 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 in this Information Circular, no director, executive officer, proposed director, any person or company owning, controlling or directing, directly or indirectly, Common Shares carrying more than ten percent of the voting rights of the Common Shares, any directors or executive officers of such ten percent holders, or any associate or affiliate of the foregoing persons, have had a material interest, direct or indirect, in any transaction in which the Corporation has participated 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 its subsidiaries.

MANAGEMENT CONTRACTS

The management functions of the Corporation and its subsidiaries are performed by the directors, executive officers or senior officers of the Corporation 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.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Information Circular contains or refers to forward-looking information. All information, other than information regarding historical fact, that addresses activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information relates to, without limitation, the structure of the proposed sale of the Varvarinskoye Project to Polymetal and the other transactions contemplated in connection

therewith, including (but not limited to) the anticipated terms and conditions of the transactions, the Corporation's intended use of the proceeds raised from the sale of the Varvarinskoye Project, anticipated alternatives to the disposition of the Varvarinskoye Project, the potential suspension of operations at the Varvarinskoye Project and the effect that same would have on future liabilities, the consequences of failing to proceed with the sale of the Varvarinskoye Project or obtaining other sources of financing, the possibility of the Corporation losing its interest in the Varvarinskoye Project, the Corporation's expectations with respect to its continued inability to meet its 2009 and future debt obligations and with respect to continuing breaches of the Permitted Indebtedness Covenants as well as other provisions of the Debt Facility, estimates relating to the level of additional capital required to maintain continued operations at the Varvarinskoye Project, the Board's expectations as to the stabilizing effect that the proposed sale will have on its financial position as well as providing a platform for the Corporation's future growth, the elimination of the majority of the Corporation's liabilities as a result of the disposition of the Varvarinskoye Project and the proposed uses of the Corporation's cash and other resources thereafter, and the Corporation's ability to take advantage of future financing opportunities and growth strategies.

The forward-looking information in this Information Circular reflects the current expectations, assumptions or beliefs of the Corporation based on information currently available to the Corporation. With respect to forward-looking information contained in this Information Circular, the Corporation has made assumptions regarding, among other things, the ability to continue refinancing discussions with the Lenders, the prospects of raising funds from equity or mezzanine finance sources, the viability of alternatives to the sale of the Varvarinskoye Project, the Corporation's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations following the disposition of the Varvarinskoye Project, long-term metal prices, the regulatory framework in Kazakhstan and Kyrgyzstan with respect to, among other things, permits, licences, authorisations, royalties, taxes and environmental matters, and the Corporation's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Corporation's demand.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Corporation to differ materially from those discussed in the forward-looking information, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on, the Corporation.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the grade and recovery of ore which is mined at the Corporation's remaining properties varying from estimates; the nature of mineral exploration and mining (including the ability to obtain necessary licences); capital and operating costs varying significantly from estimates; inflation; changes in exchange and interest rates; adverse general market conditions; adverse changes in commodity prices; the Corporation's inability to complete the transaction with Polymetal for any reason whatsoever, including (but not limited to) as a result of the parties failing to satisfy all conditions precedent to the completion of the sale, including (but not limited to) the parties' respective ability to obtain all required regulatory approvals, the failure to enter into a definitive arrangement with the Lenders with respect to the restructuring of payments under the Debt Facility and Hedge Contracts, the failure to obtain the approval of the disposition of the Varvarinskoye Project from ECIC or to meet any of the other conditions to the completion of the proposed transactions; future unforeseen liabilities; and other factors including, but not limited to, those listed under the sections entitled "Risk Factors" and "Risk and Uncertainties" in the Corporation's AIF and MD&A (as such terms are defined below), respectively. If the sale is not completed for any reason, including as a result of the Corporation, Polymetal and the Lenders failing to reach an arrangement regarding the restructuring of payments under the Debt Facility and Hedge Contracts, there is a risk that, unless the Corporation raises additional financing in order to meet its immediate obligations under the Debt Facility and Hedge Contracts, or negotiates the terms of repayment

with the Lenders, the Lenders may demand immediate payment of the amounts owing and enforce their security (which may result in the Corporation losing its interest in the Varvarinskoye Project).

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Corporation disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Corporation believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

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 April 24, 2009 (the "AIF"), 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, 2008. 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 7513 3998

Except where otherwise indicated, information contained herein is given as of June 15, 2009.

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

DATED this 15th day of June, 2009.

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

(Signed) "*Tania Tchedaeva*" - *Company
Secretary*

SCHEDULE "A"

ORSU METALS CORPORATION

AMENDED AND RESTATED STOCK OPTION PLAN

(dated with effect as of May 13, 2003, as amended and restated effective June 9, 2009)

1 The Purpose of the Plan

1.1 The purpose of the Plan is to attract, retain and motivate persons as key service providers to the Corporation and its Affiliates and to advance the interests of the Corporation by providing such persons with the opportunity, through Options, to acquire a proprietary interest in the Corporation.

2 Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

2.1 "**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;

2.2 "**Associates**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

2.3 "**Black Out Period**" means any period during which a policy of the Corporation prevents certain persons designated by said policy from trading in the securities of the Corporation;

2.4 "**Board**" means the board of directors of the Corporation or, if established and duly authorized to act, the Committee;

2.5 "**Business Day**" means any day, other than a day that is a Saturday, Sunday or holiday in London, England;

2.6 "**Committee**" shall have the meaning attributed thereto in Section 3.1 hereof;

2.7 "**Corporation**" means Orsu Metals Corporation and includes any successor corporation thereof;

2.8 "**Eligible Person**" means:

(a) any director, officer or employee of the Corporation or any of its Affiliates, or any other Service Provider (an "**Eligible Individual**"); or

(b) a corporation controlled by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual (an "**Employee Corporation**");

2.9 "**Insider**" means any insider, as such term is defined in Subsection 1(1) of the *Securities Act* (Ontario), of the Corporation and also includes any Associates and Affiliates of any such insider;

2.10 “**Market Price**” at any date in respect of the Shares means the closing sale price of such Shares on the TSX (or, if the Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board) on the Trading Day immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of the Shares as determined by the Board in its sole discretion;

2.11 “**Option**” means an option to purchase Shares granted to an Eligible Person under the Plan;

2.12 “**Option Price**” means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8 hereof;

2.13 “**Optioned Shares**” means the Shares issuable pursuant to an exercise of Options;

2.14 “**Optionee**” means an Eligible Person to whom an Option has been granted and who continues to hold such Option;

2.15 “**Plan**” means this Amended and Restated Stock Option Plan, as the same may be amended or varied from time to time;

2.16 “**Service Provider**” means:

(a) an employee or Insider of the Corporation or any of its Affiliates; or

(b) any person, company, or employee of a company that is engaged to provide management or consulting services for the Corporation or for any entity controlled by the Corporation other than any director, officer or employee of the Corporation or any of its Affiliates;

2.17 “**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of shares to one or more Service Providers, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise;

2.18 “**Shares**” means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

2.19 “**Successor Corporation**” shall have the meaning attributed thereto in Section 8.2 hereof;

2.20 “**Trading Day**” means any day on which the TSX is open for trading (or, if the Shares are not then listed and posted for trading on the TSX, any day open for trading on such other stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board); and

2.21 “**TSX**” means the Toronto Stock Exchange.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

3 **Administration of the Plan**

3.1 The Plan shall be administered by the Board or by any committee (the “Committee”) of the Board established by the Board for that purpose.

3.2 The Board or Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

(a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

(b) to interpret and construe the Plan and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made by the Board or the Committee shall be final, binding and conclusive for all purposes;

(c) to determine the number of Shares covered by each Option;

(d) to determine the Option Price of each Option;

(e) to determine the time or times when Options will be granted and exercisable;

(f) to determine if the Optioned Shares will be subject to any restrictions upon the exercise of the related Options; and

(g) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

3.3 The Board or the Committee may, in its discretion, require as conditions to the grant or exercise of any Option that the Optionee shall have:

(a) represented, warranted and agreed in form and substance satisfactory to the Corporation that he or she is acquiring and will acquire such Option and the Optioned Shares or, as the case may be, is acquiring such Optioned Shares, for his or her own account, for investment and not with a view to or in connection with any distribution, that he or she has had access to such information as is necessary to enable him or her to evaluate the merits and risks of such investment and that he or she is able to bear the economic risk of holding such Optioned Shares for an indefinite period;

(b) agreed to restrictions on transfer in form and substance satisfactory to the Corporation and to an endorsement on any option agreement or certificate representing the Optioned Shares making appropriate reference to such restrictions; and

(c) agreed to indemnify the Corporation in connection with the foregoing.

3.4 Any Option granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Option upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Optioned Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions

acceptable to the Board or the Committee. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

3.5 Without limiting the generality of Sections 3.3, 3.4 and 7.2 hereof, unless a registration statement relating to the Shares covered by any Option issued in favour of an Optionee resident in the United States of America has been filed with the United States Securities and Exchange Commission and is effective on the date of exercise, the exercise of the Option by such Optionee will be contingent upon receipt from the Optionee of a representation in writing satisfactory to the Board or the Committee that at the time of such exercise it is the Optionee's then intention to acquire the Optioned Shares being purchased for investment and not for resale or other distribution thereof to the public in the United States of America. If such representation in writing is required, the Board or the Committee may in its discretion inscribe an investment legend on the share certificates issued pursuant to the exercise of the Option. The issuance of Optioned Shares shall be subject to all applicable laws, rules and regulations and Optioned Shares shall not be issued except upon the approval of proper government agencies or stock exchanges as may be required. Provided, however, the Option shall not be exercisable if at any date of exercise, it is the opinion of counsel for the Corporation that registration of the said Optioned Shares under the United States Securities Act of 1933 or other applicable statute or regulation is required and the Option shall again become exercisable only if the Corporation elects to and thereafter effects a registration of the Shares subject to the Option under the United States Securities Act of 1933 or other applicable statute or regulation within the period of the Option. If the Option may not be exercised, the Corporation shall return to the Optionee, without interest or deduction, any funds received by it in connection with the proposed exercise of the Option.

4 **Shares Subject to the Plan**

4.1 Options may be granted in respect of authorized and unissued Shares, provided that the maximum number of Shares which may be reserved and set aside for issue with respect to outstanding Options (including outstanding options granted under the Corporation's former stock option plan) at any particular time shall not exceed 10% of the aggregate number of Shares issued and outstanding (calculated on a non-diluted basis) from time to time.

4.2 Any Optioned Shares subject to an Option which for any reason is surrendered, cancelled or terminated or expires without having been exercised shall again be available for subsequent grant under the Plan. No fractional Shares may be purchased or issued under the Plan, and the Board may determine the manner in which fractional share value shall be treated.

5 **Eligibility; Grant; Terms of Options**

5.1 Options may be granted by the Board or the Committee to any Eligible Person.

5.2 Subject as herein and otherwise specifically provided in this Article 5, the number of Optioned Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board or the Committee. The Board may fix the Option Price in any currency determined by the Board, provided that such Option Price be calculated on the basis of the applicable Canadian exchange rate, as determined by the Board or the Committee, on the date of grant.

5.3 Subject to any adjustments pursuant to the provisions of Article 8 hereof, the Option Price of any Option shall in no circumstances be lower than the Market Price on the Trading Day immediately

preceding the day upon which the Option is granted; provided that if the Shares are not then listed and posted for trading on any stock exchange, the Option Price shall be no lower than the Market Price determined by the Board in its sole discretion as the fair market value of the Shares on the Business Day immediately preceding the day upon which the Option is granted. If, as and when any Shares have been duly purchased and paid for under the terms of an Option and all conditions relating to the exercise of an Option have been fulfilled to the satisfaction of the Board or the Committee, such Shares shall be conclusively deemed allotted and issued as fully paid non-assessable Shares at the price paid therefor.

5.4 The term of an Option shall not exceed 10 years from the date of the grant of the Option.

5.5 Options will be exercisable in whole or in part, and from time to time, during the currency thereof, until the date of expiration specified in the option agreement or the resolution granting such Option, as the case may be, provided that if the expiry date of an Option falls during or within three Trading Days (or if the Shares are not then trading on a stock exchange, within three Business Days) of a Black Out Period, the expiry date for the Option will be automatically extended for an additional period expiring on the tenth Trading Day (or tenth Business Day, as the case may be) following the end of the Black Out Period.

5.6 No Options shall be granted to any Eligible Person if (after giving effect to such grant) the total number of Optioned Shares issuable to such Eligible Person under this Plan, together with any Shares reserved for issuance to such Eligible Person under Options for services or any other stock option plans, would exceed 5% of the issued and outstanding Shares.

5.7 An Option is personal to the Optionee and non-assignable (whether by operation of law or otherwise), except as provided for herein. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of the Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Corporation, cease and terminate and be of no further force or effect whatsoever.

5.8 Subject to regulatory approval and unless approved by the shareholders of the Corporation given by the affirmative vote of a majority of the votes cast at a meeting of shareholders of the Corporation, excluding the votes attached to Shares beneficially owned by (a) Insiders to whom Options 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 Corporation; and (b) Associates of persons referred to in (a) above:

- (a) the number of Shares reserved for issuance pursuant to Options or other stock options granted to Insiders and under all other Share Compensation Arrangements may not exceed 10% of the issued and outstanding Shares;
- (b) the issuance of Shares to Insiders under this Plan and under all other Share Compensation Arrangements, within a one-year period, may not exceed 10% of the issued and outstanding Shares; and
- (c) the issuance of Shares to any one Insider and such Insider's Associates under this Plan and under all other Share Compensation Arrangements, within a one-year period, may not exceed 5% of the issued and outstanding Shares.

For the purposes of this Section 5.8, the phrase “issued and outstanding Shares” means the Shares issued and outstanding as at the date of the grant calculated on a non-diluted basis.

6 Termination of Employment; Death

6.1 Subject to Sections 6.2 and 6.3 hereof and to any express resolution passed by the Board or the Committee with respect to an Option, an Option and all rights to purchase Optioned Shares pursuant thereto shall expire and terminate immediately upon the Optionee who holds such Option ceasing to be an Eligible Person.

6.2 The Board or the Committee may, in its entire discretion, at the time of the granting of Options hereunder, determine that provisions to the following effect shall be contained in the written option agreement between the Corporation and the Optionee:

(a) If an Optionee shall retire, or terminate his employment or directorship with the consent of the Board 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.

(b) If an Optionee ceases to serve the Corporation or any of its Affiliates, 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 of its Affiliates, as the case may be, in such capacity. If an Optionee ceases to serve the Corporation or any of its Affiliates as an employee, officer, Service Provider or director for any reason other than for cause, unless otherwise provided for in this 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 of its Affiliates, as the case may be, in such capacity.

(c) 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.

6.3 If an Optionee shall die holding an Option which has not been fully exercised, his 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 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 such death.

6.4 For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director of the Corporation provided that the Optionee continues to be an Eligible Person.

6.5 For the purposes of this Article 6, a determination by the Corporation that an Optionee was discharged for "cause" shall be binding on the Optionee.

6.6 If the Optionee is an Employee Corporation, the references to the Optionee in this Article 6 shall be deemed to refer to the Eligible Individual associated with the Employee Corporation.

7 Exercise of Options

7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised. Such notice shall be delivered to the office of the Corporation specified in the Option (or such other office as may be notified from time to time by the Corporation to the Optionee for the receipt of such notices) and accompanied by payment in full, by cash or cheque or other form of cash payment acceptable to the Corporation, of the Option Price of the Optioned Shares then being purchased. Subject to any provisions of the Plan or the Option to the contrary, certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Optioned Shares to an Optionee shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed;
- (c) the receipt from the Optionee of such representations, warranties, agreements and undertakings, as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
- (d) the satisfaction of any conditions on exercise prescribed pursuant to Article 3 hereof.

7.3 Options shall be evidenced by an option agreement, instrument or certificate in such form as is inconsistent with this Plan as the Board or the Committee may from time to time determine.

8 Adjustments to Options

8.1 In the event that the Shares are at any time changed or affected as a result of the declaration of a stock dividend thereon or their subdivision or consolidation, the number of Shares reserved for Option shall be adjusted accordingly by the Board or the Committee to such extent as the Board or the Committee deems appropriate in its absolute discretion. In such event, the number of, and the price payable for, any Shares that are then subject to Option may also be adjusted by the Board or the Committee to such extent, if any, as the Board or the Committee deems appropriate in its absolute discretion.

8.2 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 8.1 or, subject to the provisions of Subsection 9.4(a) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**") the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Corporation or the Successor Corporation (as the case may be) and/or other consideration from the Corporation or the

Successor Corporation (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Subsection 9.4(a) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or the effective date of such consolidation, merger or amalgamation, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

9 **Amendment or Discontinuance of the Plan**

9.1 The Board may amend the Plan at any time, provided, however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee without the consent of the Optionee, except to the extent required by law. Any such amendment shall, if required, be subject to the prior approval of, or acceptance by, any stock exchange on which the Shares are listed and posted for trading.

9.2 Subject to Section 9.3 (if applicable), the Board shall have the power and authority to approve any amendments relating to the Plan or to Options, 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 Options;
- (d) extending the term of Options held by a person other than a person who, at the time of the extension, is an Insider of the Corporation;
- (e) repricing Options 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 hereof concerning the effect of termination of an Optionee's status as an Eligible Person shall not apply to an Optionee for any reason acceptable to the Board;
- (g) accelerating the expiry date of any Options;
- (h) amending the definitions contained within the Plan;
- (i) amending the categories of persons who are Eligible Person and entitled to be granted Options pursuant to the Plan;
- (j) allowing the grant of financial assistance to Optionees for the purpose of exercising Options granted hereunder, subject to compliance with all applicable regulatory requirements;
- (k) authorizing the addition or modification of a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying securities from the Plan reserve;

- (l) the assignability or transferability of Options, with respect to Eligible Persons generally and/or with respect to any Optionee;
- (m) amending or modifying the mechanics of exercise of Options; and
- (n) amendments of a “house-keeping” nature, including, without limitation, amending the wording of any provisions of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan.

The types of amendments enumerated in this Section 9.2 are included in the Plan for illustrative purposes only and shall not in any way restrict or otherwise affect the Board’s authority to approve and implement any amendment relating to the Plan or any Options.

9.3 In the event that, on the date the Board approves any amendment relating to the Plan or to Options, the Shares are listed and posted for trading on the TSX, the following amendments to the Plan or to Options shall be subject to the approval of the shareholders of the Corporation:

- (a) an increase to the Plan’s maximum or the number of securities reserved for issuance under the Plan;
- (b) granting additional powers to the Board to amend the Plan or entitlements thereunder;
- (c) a reduction in the exercise price of Options or other entitlements held by Insiders;
- (d) an extension to the term of Options held by Insiders; and
- (e) changes to the Insider participation limits of the Plan which result in shareholder approval being required on a disinterested basis.

9.4 Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

- (a) in the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Shares of the Corporation or any part thereof shall be made to all or substantially all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee holding Options under the Plan, to permit the exercise of all such Options within the 20 day period next following the date of such notice and to determine that upon the expiration of such 20 day period, all rights of the Optionees to such Options or to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have further force or effect whatsoever;
- (b) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation so that the Corporation shall effectively cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Optionee would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of completion of any such sale at any time up to and including, but not after the earlier of: (i) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (ii) the close of business on the expiration date

of the Option; but the Optionee shall not be entitled to exercise the Option with respect to any other Optioned Shares;

(c) subject to the rules of any relevant stock exchange or other regulatory authority and the receipt of regulatory consent in connection therewith, the Board may, by resolution, advance the date on which any Option may be exercised or extend the expiration date of any Option. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which Options may be exercised by any other Optionee; and

(d) the Board may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions hereof concerning the effect of termination of the Optionee's employment shall not apply to any Optionee for any reason acceptable to the Board.

Notwithstanding the provisions of this Article 9, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

9.5 Notwithstanding any other provision of this Plan, the Board may at any time by resolution terminate this Plan. In the event of the termination of the Plan by the Board, 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 shall have notified all Optionees of the termination of this Plan, but only to the same extent as the Optionee could have exercised such Options immediately prior to the date of such notification.

10 **Vesting**

10.1 The Board or the Committee may, in its entire discretion, at the time of the granting of Options hereunder, determine that provisions relating to the vesting of Options be contained in the written option agreement between the Corporation and the Optionee.

11 **Miscellaneous Provisions**

11.1 An Optionee shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until the date of issuance of a certificate for Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares represented by such certificate or certificates. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

11.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue or be re-elected as a director of the Corporation or any right to continue in the employ of the Corporation or any of its Affiliates, or affect in any way the right of the Corporation or any of its Affiliates to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any of its Affiliates, to extend the employment of any Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any of its Affiliates or any present or future retirement policy of the Corporation or any of its Affiliates, or beyond

the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any of its Affiliates.

11.3 Notwithstanding Section 5.7 hereof, Options may be transferred or assigned between an Eligible Individual and the related Employee Corporation provided the assignor delivers notice to the Corporation prior to the assignment and the Board or the Committee approves such assignment. The Board or the Committee may decline to approve any such transfer or assignment in its sole discretion.

11.4 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12 **Effective Date of Plan**

12.1 The Plan is dated with effect as of (i) May 13, 2003; (ii) as restated and amended, May 25, 2005; (iii) as further restated and amended May 15, 2006; (iv) as further restated and amended May 9, 2007; and (v) as further restated and amended June 9, 2009; such further restatement and amendment subject to the approval and ratification of the shareholders of the Corporation, as applicable.

SCHEDULE “B”

SECTION 179 OF THE BVI COMPANIES ACT, 2004

179. (1) A member of a company is entitled to payment of the fair value of his shares upon dissenting from

- (a) a merger, if the company is a constituent company, unless the company is the surviving company and the member continues to hold the same or similar shares;
- (b) a consolidation, if the company is a constituent company;
- (c) any sale, transfer, lease, exchange or other disposition of more than fifty per cent in value of the assets or business of the company, if not made in the usual or regular course of the business carried on by the company, but not including
 - (i) a disposition pursuant to an order of the Court having jurisdiction in the matter,
 - (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the members in accordance with their respective interests within one year after the date of disposition, or
 - (iii) a transfer pursuant to the power described in section 28(2);
- (d) a redemption of his shares by the company pursuant to section 176; and
- (e) an arrangement, if permitted by the Court.

(2) A member who desires to exercise his entitlement under subsection (1) shall give to the company, before the meeting of members at which the action is submitted to a vote, or at the meeting but before the vote, written objection to the action; but an objection is not required from a member to whom the company did not give notice of the meeting in accordance with this Act or where the proposed action is authorised by written consent of members without a meeting.

(3) An objection under subsection (2) shall include a statement that the member proposes to demand payment for his shares if the action is taken.

(4) Within twenty days immediately following the date on which the vote of members authorising the action is taken, or the date on which written consent of members without a meeting is obtained, the company shall give written notice of the authorisation or consent to each member who gave written objection or from whom written objection was not required, except those members who voted for, or consented in writing to, the proposed action.

(5) A member to whom the company was required to give notice who elects to dissent shall, within twenty days immediately following the date on which the notice referred to in subsection (4) is given, give to the company a written notice of his decision to elect to dissent, stating

- (a) his name and address;

- (b) the number and classes of shares in respect of which he dissents; and
- (c) a demand for payment of the fair value of his shares;

and a member who elects to dissent from a merger under section 172 shall give to the company a written notice of his decision to elect to dissent within twenty days immediately following the date on which the copy of the plan of merger or an outline thereof is given to him in accordance with section 172.

(6) A member who dissents shall do so in respect of all shares that he holds in the company.

(7) Upon the giving of a notice of election to dissent, the member to whom the notice relates ceases to have any of the rights of a member except the right to be paid the fair value of his shares.

(8) Within seven days immediately following the date of the expiration of the period within which members may give their notices of election to dissent, or within seven days immediately following the date on which the proposed action is put into effect, whichever is later, the company or, in the case of a merger or consolidation, the surviving company or the consolidated company shall make a written offer to each dissenting member to purchase his shares at a specified price that the company determines to be their fair value; and if, within thirty days immediately following the date on which the offer is made, the company making the offer and the dissenting member agree upon the price to be paid for his shares, the company shall pay to the member the amount in money upon the surrender of the certificates representing his shares.

(9) If the company and a dissenting member fail, within the period of thirty days referred to in subsection (8), to agree on the price to be paid for the shares owned by the member, within twenty days immediately following the date on which the period of thirty days expires, the following shall apply:

- (a) the company and the dissenting member shall each designate an appraiser;
- (b) the two designated appraisers together shall designate an appraiser;
- (c) the three appraisers shall fix the fair value of the shares owned by the dissenting member as of the close of business on the day prior to the date on which the vote of members authorising the action was taken or the date on which written consent of members without a meeting was obtained, excluding any appreciation or depreciation directly or indirectly induced by the action or its proposal, and that value is binding on the company and the dissenting member for all purposes; and
- (d) the company shall pay to the member the amount in money upon the surrender by him of the certificates representing his shares.

(10) Shares acquired by the company pursuant to subsection (8) or (9) shall be cancelled but if the shares are shares of a surviving company, they shall be available for reissue.

(11) The enforcement by a member of his entitlement under this section excludes the enforcement by the member of a right to which he might otherwise be entitled by virtue of his holding shares, except that this section does not exclude the right of the member to institute proceedings to obtain relief on the ground that the action is illegal.

(12) Only subsections (1) and (8) to (11) shall apply in the case of a redemption of shares by a

company pursuant to the provisions of section 176 and in such case the written offer to be made to the dissenting member pursuant to subsection (8) shall be made within seven days immediately following the direction given to a company pursuant to section 176 to redeem its shares.