

EXTORRE GOLD MINES LIMITED
#1660 – 999 West Hastings Street
Vancouver, BC
V6C 2W2

ANNUAL
AND
SPECIAL
MEETING

Notice of Annual and Special Meeting of Shareholders
Management Information Circular

Place: Suite 1660 – 999 West Hastings Street
Vancouver, British Columbia, V6C 2W2

Time: 2:00 p.m. (Vancouver Time)

Date: Thursday, June 9, 2011

EXTORRE GOLD MINES LIMITED

CORPORATE DATA

Head Office

Extorre Gold Mines Limited
#1660 – 999 West Hastings Street
Vancouver, British Columbia V6C 2W2

Directors and Officers

Bryce Roxburgh – Co-Chairman & Director
Yale Simpson – Co-Chairman & Director
Eric Roth – President, Chief Executive Officer & Director
Darcy Daubaras – Chief Financial Officer
Cecil Bond – Vice President Finance
Louis G. Montpellier – Senior Vice-President General Counsel &
Corporate Secretary
Rob Grey – Vice President, Corporate Communications
Marina Trasolini – Vice President Corporate Development
Ignacio Celorrio – Director
James D. R. Strauss – Director
Robert Reynolds – Director
George Lawton – Director

Registrar and Transfer Agent

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Legal Counsel

Gowling Lafleur Henderson LLP
Suite 2300, 550 Burrard Street
Vancouver, British Columbia
Canada V6C 2B5

Auditor

PricewaterhouseCoopers LLP
Chartered Accountants
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7

Listing

Toronto Stock Exchange, Symbol “XG”
NYSE Amex Equities, Symbol “XG”

EXTORRE GOLD MINES LIMITED
#1660 - 999 West Hastings Street
Vancouver, BC V6C 2W2
(604) 681-9512

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of the shareholders of Extorre Gold Mines Limited (hereinafter called the "Company") will be held in the Company's offices at Suite 1660 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2, on Thursday, the 9th day of June, 2011 at the hour of 2:00 p.m. (local time), for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended December 31, 2010 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors therein;
2. To elect seven (7) directors for the ensuing year;
3. To appoint PricewaterhouseCoopers LLP as the Company's auditor for the ensuing year and to authorize the directors to fix their remuneration;
4. In the event the Continuance (as defined below) is not approved or proceeded with, to consider, and if thought appropriate, to approve by special resolution an amendment to the articles of the Company to increase the maximum number of directors of the Company from 8 to 12, as more particularly described in the accompanying Information Circular;
5. To consider and, if thought fit, to approve, with or without amendment, a special resolution authorizing the continuance of the Company (the "Continuance") under the *Business Corporations Act* (British Columbia) (the "Continuance Resolution") and the adoption of new Articles, as more particularly described in the accompanying Information Circular; and
6. To transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice is the Company's Information Circular dated May 2, 2011, a form of Proxy and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting, including the text of the Continuance Resolution, and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at Vancouver, British Columbia, this 2nd day of May, 2011.

BY ORDER OF THE BOARD
(signed) "Yale Simpson"
Yale Simpson
Co-Chairman and Director

EXTORRE GOLD MINES LIMITED
#1660 - 999 West Hastings Street
Vancouver, BC V6C 2W2

INFORMATION CIRCULAR

(Containing information as at May 2, 2011 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Extorre Gold Mines Limited (the “**Company**”) for use at the Annual and Special Meeting of Shareholders of the Company (and any adjournment thereof) to be held on Thursday, June 9, 2011 (the “**Meeting**”) 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 directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by COMPUTERSHARE INVESTOR SERVICES INC. (the “Transfer Agent”), Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, at any time up to and including the last business day preceding 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.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients.

Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBO's**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBO's**"). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**") issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBO's. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBO's. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form ("**VIF**") from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. The Transfer Agent will tabulate the results of the VIF's received from the Company's NOBO's and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIF's they receive.

The Company's OBO's can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

The common shares represented by a properly executed proxy in favour of persons proposed by Management as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED, BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a “**special resolution**” in which case a majority of not less than 66 2/3% of the votes cast will be required.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Authorized Capital: an unlimited number of common shares without par value (the “**Common Shares**”)
an unlimited number of preferred shares

Issued and Outstanding: 88,217,627⁽¹⁾ Common Shares
Nil preferred shares

(1) As at May 2, 2011.

Only shareholders of record at the close of business on May 2, 2011 (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly or exercises control or direction over Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company.

ELECTION OF DIRECTORS

The board of directors (the “**Board**”) presently consists of seven (7) directors and it is intended to elect seven (7) directors for the ensuing year.

According to its Articles, the Company may have a minimum of 1 and a maximum of 8 directors. At the Meeting, the Board is proposing that shareholders pass a special resolution to amend the Articles to increase the maximum number of directors from 8 to 12. The amendment to the Articles will only be proceeded with should the Continuance (as defined herein) not be approved by the shareholders or should the Board determine not to proceed with the Continuance notwithstanding its approval by the shareholders. See “Approval of Amendment to the Articles”.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management’s nominees and the persons proposed by Management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the By-laws of the Company or the provisions of the *Canada Business Corporations Act* (the “**CBCA**”).

The following table and notes thereto sets out the name of each person proposed to be nominated by Management for election as a director (a “**proposed director**”), the province or state and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position, Province or State and Country of Residence ⁽¹⁾	Principal Occupation During Past Five Years ⁽¹⁾	Director Since	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾
Bryce G. Roxburgh Makati, Philippines Co-Chairman and Director	President & CEO, Exeter Resource Corporation (“ Exeter ”), since September 2003; Chairman of Rugby Mining Limited since January 2007.	March 11, 2010	4,567,250 ⁽⁶⁾
Yale R. Simpson British Columbia, Canada Co-Chairman and Director	Chairman of Exeter since September 2003; President of Canaust Resource Consultants Ltd. since 1992.	March 11, 2010	1,363,250
Eric Roth Santiago, Chile President, Chief Executive Officer and Director	President and CEO of the Company since March 2010; Exploration and Development Manager of Exeter from 2009 to February 2010; Head of Global Greenfields Exploration for AngloGold Ashanti from November 2005 to March 2008.	March 11, 2010	100,000

Name, Position, Province or State and Country of Residence ⁽¹⁾	Principal Occupation During Past Five Years ⁽¹⁾	Director Since	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾
Robert G. Reynolds ⁽³⁾⁽⁴⁾⁽⁵⁾ N.S.W., Australia Director	Chartered Accountant; Chairman of Alacer Gold Corp.	March 11, 2010	125,000
Ignacio Celorrio ⁽³⁾⁽⁴⁾⁽⁵⁾ Buenos Aries, Argentina Director	Lawyer with Quevedo Abogados since November 2007; President of Malbex San Juan S.A. since 2009, Minera Cielo Azul S.A. and Inversiones Mineras Australes S.A. since 2007.	March 11, 2010	Nil
James D.R. Strauss ⁽⁴⁾⁽⁵⁾ London, United Kingdom Director	Director of J & T Strauss Ltd. since November 2010; Partner of Strauss Partners LLP from April 2010 to November 2010; prior, Mr. Strauss has worked as a stockbroker in the City of London for 25 years specialising in the corporate resource arena including BMO Capital Markets as Managing Director of UK; Committee member of the Association of Mining Analysts for the last four years.	September 8, 2010	Nil
George W. Lawton ⁽³⁾ British Columbia, Canada Director	Chartered Accountant and Chief Financial Officer of Aegis Mobility Inc. since August 2010; Consulting Business Advisor since May 2009.	September 8, 2010	Nil

Notes:

- (1) The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Members of the Audit Committee. George Lawton is Chair of the Audit Committee.
- (4) Members of the Compensation Committee. Robert Reynolds is Chair of the Compensation Committee.
- (5) Members of the Nominating and Corporate Governance Committee. James Strauss is Chair of the Nominating and Corporate Governance Committee.
- (6) Of these Common Shares, 2,858,000 are registered in the name of Rowen Company Ltd. ("**Rowen**"), a private company controlled by Mr. Roxburgh.

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees ("**NI 52-110**"), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in the Company’s annual information form dated March 25, 2011 (the "**AIF**") with respect to the fiscal year ended December 31, 2010. The

AIF is available for review by the public on the SEDAR website located at www.sedar.com “Company Profiles – Extorre Gold Mines Limited” and may also be obtained free of charge by sending a written request to the Company at the Company’s head office located at #1660-999 West Hastings Street, Vancouver, British Columbia, V6C 2W2.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Company does not have a formal compensation program. However, the administration of the Company’s compensation mechanisms is handled by the compensation committee (the “**Compensation Committee**”) of the Board of the Company. The general mandate of the Compensation Committee is to examine matters relating to the compensation of the directors and executive officers of the Company with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. In accordance with the mandate, the Compensation Committee meets to discuss and determine the recommendations that it will make to the Board regarding management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate Management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align Management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

As at December 31, 2010, the Compensation Committee was composed of Ignacio Celorrio, Robert G. Reynolds and James Strauss, all of whom were independent directors, applying the definition set out in section 1.4 of NI 52-110.

The Compensation Committee considers and evaluates executive compensation levels on an annual basis against available information for “peer group” companies, which are principally comprised of “junior mineral exploration” companies, to ensure that the Company’s executive compensation levels are within the range of comparable norms. In selecting peer group companies, the Compensation Committee primarily looks for public companies that are comparable in terms of business and size. In 2010, using public filings, the Compensation Committee considered the executive compensation levels, including benefits, of Exeter, Detour Gold Corporation, Seabridge Gold Inc., Osisko Mining Corporation, NovaGold Mining Corporation, Centamin Egypt Limited, Gabriel Resources Ltd., and Crystallex International Corporation.

Currently, the principal components of the Company’s executive compensation packages are base remuneration, long-term incentive in the form of stock options, and a discretionary annual incentive cash bonus. The Company targets base remuneration, bonuses, and option based awards towards the upper range relative to peer companies for similarly experienced executives performing similar duties. Generally, awards are made within this range, although compensation is awarded above or below in cases of exceptional or poor corporate and/or individual performance or other individual factors relating to a Named Executive Officer (as defined below). The Company benchmarks against upper compensation because benchmarking allows the Company to attract and retain executives, provides an incentive for executives to strive for better than average performance to earn better than average compensation and helps the Company to manage the overall cost of management compensation.

While the Compensation Committee believes that it is important to use benchmarking data to assist it in determining appropriate ranges for executive compensation, it also considers other factors when awarding executive compensation such as the overall financial strength of the Company, its exploration successes, and equity financing success.

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

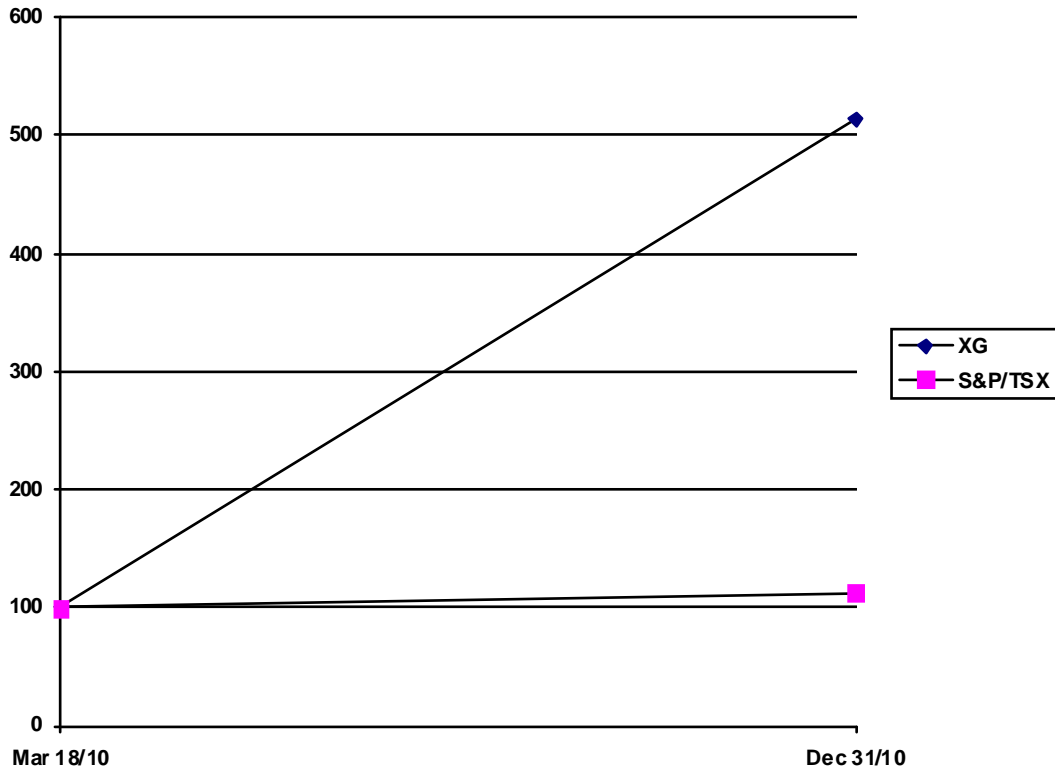
The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the Named Executive Officer; current and expected future performance of the Named Executive Officer; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan (the "**Plan**") and the Toronto Stock Exchange (the "**TSX**"). The Company considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan, which are described under "Incentive Plan Awards" below.

Finally, the Compensation Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

Performance Graph

The following graph compares the year-end investment value of the total cumulative shareholder return for \$100 invested in Common Shares of the Company against the cumulative total return of the S&P/TSX Composite Index since the date of public trading on the TSX (being March 18, 2010) until the fiscal year ended December 31, 2010.

**CUMULATIVE TOTAL SHAREHOLDER RETURNS
EXTORRE GOLD MINES LIMITED (XG) VS S&P/TSX COMPOSITE INDEX**



	Mar 18/10	Dec 31/10
Extorre – XG	100.00	514
S&P/TSX	100.00	112

SUMMARY COMPENSATION TABLE

For the purposes of this Information Circular, a “Named Executive Officer”, or “NEO”, means each of the following individuals:

1. a chief executive officer (“**CEO**”) of the Company;
2. a chief financial officer (“**CFO**”) of the Company;
3. each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2010 financial year; and
4. each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2010.

Summary Compensation Table

During the financial year ended December 31, 2010, the Company had five (5) Named Executive Officers: **Eric Roth**, President and Chief Executive Officer, **Darcy Daubaras**, Chief Financial Officer, **Bryce Roxburgh**, Co-Chairman, **Yale Simpson**, Co-Chairman, and **Cecil Bond**, Vice President Finance. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the two most recently completed financial years ending December 31, 2010, and 2009 in respect of the NEOs of the Company.

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾⁽¹¹⁾	Non-equity incentive plan compensation(\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽²⁾
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans ⁽⁵⁾			
Eric Roth, President & CEO	2010 2009	\$245,775 ⁽⁶⁾ Nil	Nil Nil	\$1,723,448 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$1,969,223 Nil
Darcy Daubaras, CFO	2010 2009	\$60,000 ⁽⁷⁾ Nil	Nil Nil	\$234,394 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$294,394 Nil
Bryce G. Roxburgh, Co-Chairman	2010 2009	\$46,668 ⁽⁸⁾ Nil	Nil Nil	\$1,233,992 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$1,280,660 Nil
Yale R. Simpson, Co-Chairman	2010 2009	\$106,514 ⁽⁹⁾ Nil	Nil Nil	\$1,208,133 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$1,314,647 Nil
Cecil R. Bond, VP Finance	2010 2009	\$66,668 ⁽¹⁰⁾ Nil	Nil Nil	\$664,670 Nil	Nil Nil	Nil Nil	Nil Nil	Nil ⁽¹⁷⁾ Nil	\$731,338 Nil

NOTES:

- (1) Financial years ended December 31. The Company was incorporated on December 21, 2009. All compensation is reflected from March 11, 2010, the date of completion of the Arrangement, as herein defined.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These values do not represent actual amounts received by the NEOs as the gain, if any, will depend on the market value of the shares on the date that the option is exercised.
- (4) The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its Named Executive Officers, but may award discretionary bonus payments from time to time.
- (5) The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (6) Mr. Roth's services are provided pursuant to a consulting agreement dated January 18, 2010, as described below (the **"Roth Consulting Agreement"**).
- (7) Mr. Daubaras' services are provided pursuant to an employment agreement dated September 1, 2010, as described below (the **"Daubaras Employment Agreement"**).
- (8) Mr. Roxburgh's services are provided pursuant to a consulting agreement dated September 1, 2010, as described below (the **"Roxburgh Consulting Agreement"**) between the Company, Bryce Roxburgh and Rowen, a company controlled by Mr. Roxburgh. This amount was paid to Rowen for consulting fees performed during the year ended December 31, 2010.
- (9) Mr. Simpson's services are provided pursuant to a consulting agreement dated September 1, 2010, as described below (the **"Simpson Consulting Agreement"**) between the Company, Yale Simpson, and Canaust Resource Consultants Ltd. (**"Canaust"**), a company controlled by Mr. Simpson. This amount \$58,332 was paid to Canaust for exploration and consulting fees.

- (10) Mr. Bond's services are provided pursuant to a consulting agreement dated September 1, 2010 as described below (the "**Bond Consulting Agreement**"). This amount was paid to 667060 BC Ltd. ("**667060**"), a company wholly-owned by Mr. Bond, for management fees.
- (11) Also see "Outstanding Option - Based Awards" for details of options granted by Exeter to the NEOs and assumed by the Company on completion of the Arrangement, as defined herein.

Consulting/Employment Agreements

The Company entered into the Roth Consulting Agreement on January 18, 2010, with Eric Roth ("**Roth**") pursuant to which Roth provides his services as President and Chief Executive Officer of the Company. Pursuant to the Roth Consulting Agreement, the Company pays Roth a monthly consulting fee of \$25,000 for Roth's services, and reimburses Roth for any reasonable travelling and other direct expenses incurred by Roth in connection with the services. Roth is also eligible for an additional annual payment (the "**Annual Bonus**") based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year. The Roth Consulting Agreement has a term of two years, and upon expiry, will automatically be extended for a further two years unless the Company gives 180 days notice that it will not extend the agreement.

The Company entered into the Daubaras Employment Agreement with Darcy Daubaras ("**Daubaras**") on September 1, 2010 pursuant to which Daubaras provides the services of Chief Financial Officer of the Company. The Company pays Daubaras an annual salary of \$100,000 and reimburses Daubaras for any reasonable travelling and other direct expenses incurred by Daubaras in connection with the services. Daubaras is also eligible for an Annual Bonus based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year.

The Company entered into the Roxburgh Consulting Agreement on September 1, 2010 with Rowen of Hong Kong, a company controlled by Bryce Roxburgh ("**Roxburgh**"). Pursuant to the Roxburgh Consulting Agreement, Rowen provides the services of Roxburgh to the Company, and provides for Roxburgh to serve as a director of the Company and to hold the office of Co-Chairman of the Company at the pleasure of the Board. The Company pays Rowen a monthly consulting fee of \$11,667 for Roxburgh's services and reimburses Roxburgh for any reasonable travelling and other direct expenses incurred by Rowen in connection with the services. Roxburgh is also eligible for an Annual Bonus based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year.

The Company entered into the Simpson Consulting Agreement on September 1, 2010 with Canaust, of Vancouver, British Columbia and Yale Simpson ("**Simpson**"). Pursuant to the Simpson Consulting Agreement, Canaust provides the services of Yale Simpson to the Company, and provides for Simpson to serve as a director of the Company and to hold the office of Co-Chairman at the pleasure of the Board. Canaust is controlled by Simpson. The Company pays Canaust a monthly consulting fee of \$14,583 for Simpson's services and reimburses Simpson for any reasonable travelling and other direct expenses incurred by Simpson in connection with the services. Simpson is also eligible for an Annual Bonus based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year.

The Company entered into the Bond Consulting Agreement on September 1, 2010 with 667060, of Vancouver, British Columbia and Cecil Bond ("**Bond**"). Pursuant to the Bond Consulting Agreement, 667060 provides the services of Bond to the Company, and provides for Bond to serve as Vice President Finance of the Company at the pleasure of the Board. 667060 is controlled by Bond. The Company pays 667060 a monthly consulting fee of \$16,667 for Bond's services and reimburses Bond for any reasonable travelling and other direct expenses incurred by Bond in connection with the services. Bond is also eligible for an Annual Bonus based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year.

See "Termination and Change of Control Benefits" below.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Plan, outstanding as at December 31, 2010. As at December 31, 2010, 3,358,628 of these option-based awards have vested.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Eric Roth	100,000 ⁽²⁾	\$1.06	September 28, 2014	\$4,897,500
	800,000 ⁽²⁾	\$1.45	February 1, 2015	
	50,000	\$4.60	September 3, 2015	
	112,500	\$6.80	December 16, 2015	
Darcy Daubaras	132,900 ⁽²⁾	\$0.38	November 7, 2013	\$937,715
	20,000	\$2.04	March 26, 2015	
	56,250	\$6.80	December 16, 2015	
Bryce G. Roxburgh	72,500 ⁽²⁾	\$0.53	May 3, 2011	\$7,822,250
	100,000 ⁽²⁾	\$0.63	November 30, 2011	
	100,000 ⁽²⁾	\$0.60	June 27, 2012	
	150,000 ⁽²⁾	\$0.60	November 13, 2012	
	400,000 ⁽²⁾	\$0.60	February 27, 2014	
	250,000 ⁽²⁾	US\$0.62	July 17, 2014	
	65,000	\$2.04	March 26, 2015	
	150,000	\$2.98	June 24, 2015	
	180,000	\$4.60	September 3, 2015	
112,500	\$6.80	December 16, 2015		
Yale R. Simpson	72,500 ⁽²⁾	\$0.53	May 3, 2011	\$6,231,250
	100,000 ⁽²⁾	\$0.63	November 30, 2011	
	100,000 ⁽²⁾	\$0.60	June 27, 2012	
	150,000 ⁽²⁾	\$0.60	November 13, 2012	
	400,000 ⁽²⁾	\$0.60	February 27, 2014	
	65,000	\$2.04	March 26, 2015	
	135,000	\$2.98	June 24, 2015	
	180,000	\$4.60	September 3, 2015	
	112,500	\$6.80	December 16, 2015	
Cecil R. Bond	50,000 ⁽²⁾	\$0.60	June 27, 2012	\$4,583,350
	100,000 ⁽²⁾	\$0.60	November 13, 2012	
	400,000 ⁽²⁾	\$0.60	February 27, 2014	
	150,000 ⁽²⁾	\$1.45	February 1, 2015	
	60,000	\$2.04	March 26, 2015	
	65,000	\$4.60	September 3, 2015	
	112,500	\$6.80	December 16, 2015	

(1) This amount is calculated as the difference between the market value of the Common Shares underlying the options on December 31, 2010, being the last trading day of the Company's Common Shares for the financial year, which was

\$6.73, and the exercise price of the option.

- (2) These options were originally granted by Exeter, and were assumed by the Company in connection with the Arrangement, as hereinafter defined. These options have the same expiry date as the original Exeter options and the exercise price was determined on the basis of the relative volume weighted average trading price of Exeter and the Company during the first five trading days after the completion of the Arrangement, being 21%, applied to the original option price.

Subsequent to the year ended December 31, 2010, no stock options have been granted to the NEOs.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2010 for options awarded under the Plan, as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards - Value vested during the year (\$)⁽¹⁾	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Eric Roth	\$591,335	Nil	N/A
Darcy Daubaras	\$125,900	Nil	N/A
Bryce G. Roxburgh	\$301,448	Nil	N/A
Yale R. Simpson	\$276,698	Nil	N/A
Cecil R. Bond	\$49,800	Nil	N/A

- (1) Value vested during the year is calculated by subtracting the market price of the Company’s Common Shares on the date the option vested (being the closing price of the Company’s Common Shares on the TSX on the last trading day prior to the vesting date) from the exercise price of the option.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

Other than as set forth below, the Company does not have any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in the NEO’s responsibilities.

The Company entered into consulting agreements dated as of and effective from September 1, 2010 with certain individuals (including certain NEOs), namely, Messrs. Roxburgh, Bond, Simpson, and Louis Montpellier (“**Montpellier**”), and the companies through which their services are provided. See “Summary Compensation Table – Consulting/Employment Agreements.

Pursuant to the consulting agreement between the Company, Patrocinium Services Corporation (“**Patrocinium**”) of Vancouver, British Columbia, and Montpellier (the “**Montpellier Consulting Agreement**”), Patrocinium provides the services of Montpellier to the Company, and provides for Montpellier to serve as an executive officer of the Company at the pleasure of the Board. Patrocinium is controlled by Montpellier. The Company pays Patrocinium a monthly consulting fee of \$16,667 for Montpellier’s services and reimbursement of any reasonable travelling and other direct expenses incurred by Montpellier in connection with the services. Montpellier is also eligible for an

Annual Bonus based on performance in each fiscal year to be paid in accordance with terms approved by the Board in each such year.

The consulting agreements with each of Rowen, 667060, Canaust and Patrocinium have a term of two years, and upon expiry, will automatically be extended for a further two years unless the Company gives notice 180 days before expiry that it will not extend the agreement. Each of Rowen, 667060, Canaust, or Patrocinium, as applicable, may terminate the consulting agreements prior to the expiry of the term by giving 30 days written notice to the Company. The consulting agreements with each of Rowen, 667060, Canaust and Patrocinium contain the following provisions:

- the Company may terminate the agreement prior to the expiry of the term by giving notice to Rowen, 667060, Canaust, or Patrocinium, as applicable, whereupon the Company will pay Rowen, 667060, Canaust, or Patrocinium, as applicable, a lump sum equal to 24 times the monthly consulting fee under the agreement plus an amount equivalent to the highest Annual Bonus paid in any one of the immediately preceding two years. If no such Annual Bonus has been paid then the deemed Annual Bonus will be fifty (50) per cent of the annual fee paid to Rowen, 667060, Canaust, or Patrocinium, as applicable;
- where termination notice is delivered by either Rowen, 667060, Canaust, Patrocinium or the Company, as applicable, within the 90-day period following a Change of Control, as hereinafter defined, except where such Change of Control occurs only as a result of the Company completing a financing in the ordinary course of business, then the Company will pay Rowen, 667060, Canaust and Patrocinium, as applicable, a lump sum amount equal to 30 months' consulting fee plus 2 times the Annual Bonus or deemed Annual Bonus, and all stock options granted to Roxburgh, Bond, Simpson, and Montpellier, as applicable, will vest immediately and Roxburgh, Bond, Simpson, and Montpellier, as applicable, shall be entitled to exercise the stock options at any time during the lesser of the remaining term of the stock options or 185 days;
- the Company may respectively terminate each consulting agreement without notice upon the occurrence of any of the following events:
 - (a) the consultant's respective conviction of a crime (indictable level or penalized by incarceration or a lesser crime related to the provision of the services), or any act involving money or other property of the Company and its subsidiaries that would constitute a crime in the jurisdiction involved; or
 - (b) Rowen, 667060, Canaust, or Patrocinium respectively is dissolved, liquidated or formally wound up; or
 - (c) for just cause.

Pursuant to the Daubaras Employment Agreement between the Company and Daubaras, where termination notice is delivered by either Daubaras or the Company within the 90-day period following a Change of Control, as hereinafter defined, except where such Change of Control occurs only as a result of the Company completing a financing in the ordinary course of business, then the Company will pay Daubaras, a lump sum amount equal to 12 months' salary at the rate being paid at the time of termination, and all the stock options held by Daubaras will vest immediately. Such severance amount shall remain the same for the first year of the employment agreement and following the first anniversary of the employment agreement the lump sum severance will increase to:

- (a) 14 months' salary up to the second anniversary of the employment agreement;
- (b) 16 months' salary following the second anniversary of the employment agreement up to the third anniversary of the Daubaras Employment Agreement; and
- (c) thereafter 18 months' salary.

The Daubaras Employment Agreement has an indefinite term, and may be terminated by Daubaras, as applicable, upon 30 days written notice to the Company. The Company may terminate the agreement by giving notice to Daubaras, whereupon the Company will pay Daubaras a lump sum equal to 6 months' salary at the rate being paid at the time of termination. Pursuant to the employment agreement with Daubaras, the Company may terminate the agreement without notice upon the occurrence of any of the following events:

- (a) Daubaras' conviction of a crime (indictable level or penalized by incarceration or a lesser crime related to the provision of the services), or any act involving money or other property of the Company and its subsidiaries that would constitute a crime in the jurisdiction involved; or
- (b) for just cause that would in law permit the Company to, without notice, terminate the employment of Daubaras;

whereupon Daubaras shall not be entitled to a severance payment but shall be entitled to receive the full amount of the instalments falling due in respect of Daubaras' annual salary through to the date of the notice of termination plus an amount of any accrued holiday pay, and the amount, if any, of any awards previously made to Daubaras, as applicable which have not been paid.

"Change of Control" is defined in the various consulting agreements and Daubaras Employment Agreement as:

- (i) the sale, transfer or disposition of the majority of the Company's assets in liquidation or dissolution of the Company; or
- (ii) the Company amalgamates, merges or enters into a plan of arrangement with another company at arm's length to the Company and its affiliates, other than an amalgamation, merger or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation, merger or plan of arrangement; or
- (iii) any person or combination of persons at arm's length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 20% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect, and such person or combination of persons exercise(s) the voting power attached to such securities in a manner that causes the incumbent directors to cease to constitute a majority of the Board; or
- (iv) any person or combination of persons at arm's length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect; or
- (v) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51 % of the then incumbent directors of the Company, or the election of a majority of directors to the Board who were not nominees of the incumbent Board at the time immediately preceding such election.

"Incumbent Director" means any member of the Board who was a member of the Board prior to the occurrence of the transaction, transactions or elections giving rise to a Change of Control and any successor to an Incumbent Director who was recommended or elected or appointed to succeed an Incumbent Director by the affirmative vote of a majority of the Incumbent Directors then on the Board.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency or entity however designated or constituted.

If a severance payment triggering event had occurred on December 31, 2010, the severance payments that would be payable to each of the Named Executive Officers and Rowen, 667060, Canaust, and Patrocinium would have been approximately as follows:

Name	Termination by the Company for any reason other than cause and unrelated to "Change of Control" of the Company (estimated) (\$)	Termination by the Company without cause after a "Change of Control" of the Company (estimated) (\$)
Rowen (Bryce G. Roxburgh)	\$350,000	\$490,000
667060 (Cecil R. Bond)	\$500,000	\$700,000
Canaust (Yale R. Simpson)	\$437,500	\$612,500
Patrocinium (Louis G. Montpellier)	\$500,000	\$700,000
Darcy Daubaras	\$50,000	\$100,000
Total	\$1,837,500	\$2,602,500

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors for the Company's most recently completed financial year.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾⁽⁵⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Robert Reynolds	Nil	Nil	\$412,591	Nil	N/A	Nil	\$412,591
Ignacio Celorrio	Nil	Nil	\$635,674	Nil	N/A	Nil	\$635,674
James Strauss	Nil	Nil	\$1,085,584	Nil	N/A	Nil	\$1,085,584
George Lawton	Nil	Nil	\$1,085,584	Nil	N/A	Nil	\$1,085,584
Louis G. Montpellier ⁽²⁾	Nil	Nil	\$593,930 ⁽³⁾	Nil	N/A	Nil ⁽⁴⁾	\$593,930

- (1) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at grant date. These amounts do not represent actual amounts received by the directors as any gain, if any, will depend on the market value of the shares on the date that the option is exercised.
- (2) Mr. Montpellier resigned as director as of September 8, 2010. Mr. Montpellier acts as Senior Vice President, General Counsel and Secretary of the Company.
- (3) Mr. Montpellier's services are provided pursuant to the Montpellier Consulting Agreement. This amount was paid to Patrocinium, a company owned by Mr. Montpellier for management fees.
- (4) The Company paid fees of \$42,000 to Gowling Lafleur Henderson LLP, a law firm in which Louis Montpellier was a partner, until February 28, 2011 for professional services.
- (5) Also see "Outstanding Option-Based Awards" for details of options granted by Exeter to the directors and assumed by the Company on completion of the Arrangement, as defined herein.

Outstanding Option-Based Awards

The following table sets forth for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. As at December 31, 2010 a portion of these option-based awards have vested.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Robert Reynolds	200,000 ⁽²⁾ 50,000 ⁽²⁾ 25,000 65,000 56,250	\$0.60 \$0.60 \$2.04 \$4.60 \$6.80	June 27, 2012 November 13, 2012 March 26, 2015 September 3, 2015 December 16, 2015	\$1,788,200
Ignacio Celorrio	25,000 ⁽²⁾ 200,000 ⁽²⁾ 50,000 56,250	\$1.06 \$1.45 \$4.60 \$6.80	September 28, 2014 February 1, 2015 September 3, 2015 December 16, 2015	\$1,304,250
James Strauss	300,000 ⁽³⁾ 56,250	\$5.06 \$6.80	September 8, 2015 December 16, 2015	\$501,000
George Lawton	300,000 ⁽³⁾ 56,250	\$5.06 \$6.80	September 8, 2015 December 16, 2015	\$501,000
Louis G. Montpellier ⁽⁴⁾	200,000 ⁽²⁾ 100,000 ⁽²⁾ 500,000 ⁽²⁾ 65,000 112,500	\$0.60 \$0.69 \$1.45 \$4.60 \$6.80	January 23, 2013 July 17, 2014 February 1, 2015 September 3, 2015 December 16, 2015	\$4,617,450

- (1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Company's Common Shares on the Exchange on December 31, 2010, being the last trading day of the Company's Common shares for the financial year, which was \$6.73.
- (2) These options were originally granted by Exeter, and were assumed by the Company in connection with the Arrangement, as hereinafter defined. These options have the same expiry date as the original Exeter options and the exercise price was determined on the basis of the relative volume weighted average trading price of Exeter and the Company during the first five trading days after the completion of the Arrangement, being 21%, applied to the original option price.
- (3) These options vest as to 75,000 six months from the date of appointment as a director on September 8, 2010 and an additional 75,000 each six months thereafter, with all such options having vested on that date which is two years from the date of appointment as a director, subject to such director continuing as such for the duration of such period and the other terms of the Plan.
- (4) Mr. Montpellier resigned as director as of September 8, 2010. Mr. Montpellier acts as Senior Vice President General Counsel and Secretary of the Company.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the year ended December 31, 2010.

Name (a)	Option-based awards - Value vested during the year (\$) ⁽¹⁾ (b)	Share-based awards - Value vested during the year (\$) (c)	Non-equity incentive plan compensation - Value earned during the year (\$) (d)
Robert Reynolds	\$20,743	Nil	N/A
Ignacio Celorio	\$80,493	Nil	N/A
James Strauss	Nil	Nil	N/A
George Lawton	Nil	Nil	N/A
Louis G. Montpellier ⁽²⁾	Nil	Nil	N/A

- (1) Value vested during the year is calculated by subtracting the market price of the Company's Common Shares on the date the option vested (being the closing price of the Company's Common Shares on the Exchange on the last trading day prior to the vesting date) from the exercise price of the option.
- (2) Mr. Montpellier resigned as director as of September 8, 2010. Mr. Montpellier acts as Senior Vice President General Counsel and Secretary of the Company.

A description of the significant terms of the Plan is found under the heading "Equity Compensation Plan Information".

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101") requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is provided in Schedule "A".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of May 2, 2011 was any director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company's most recently completed fiscal year end:

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved By Securityholders	12,200,525 ⁽¹⁾	\$2.62	920,519
Equity Compensation Plans Not Approved By Securityholders	Nil	N/A	N/A
Total	12,200,525	\$2.62	920,519

- (1) This number represents 5,369,125 options granted by the Company, as well as 6,831,400 options exercisable for Common Shares which obligations were assumed by the Company in connection with the Arrangement. Pursuant to the Arrangement, on March 11, 2010, the shareholders of Exeter approved the Plan.

The Company has adopted the Plan which provides for equity participation in the Company by eligible directors, officers, employees and consultants through the acquisition of Common Shares pursuant to the grant of options to purchase Common Shares. The purpose of the Plan is to attract and retain superior directors, officers, employees, consultants and other person or companies engaged to provide ongoing services to the Company as an incentive for such persons to put forth maximum effort for the continued success and growth of the Company and in connection with these goals, to encourage their participation in the performance of the Company.

The aggregate maximum number of Common Shares available for issuance from treasury under the Plan and all of the Company's other security based compensation arrangements at any given time is 15% of the issued and outstanding Common Shares as at the date of grant of an option, subject to certain adjustments. As a "rolling" plan, the Plan contains an "evergreen" feature whereby any options which has been granted under the Plan and which have been exercised or which have been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan will automatically "reload" and be available for future grants under the Plan. The TSX requires that plans containing an "evergreen" feature be submitted to shareholders for ratification every three years. The Plan was instituted and approved by Exeter shareholders prior to the completion of the Arrangement. The Plan will next require re-approval at the Company's 2013 annual meeting.

The Plan provides that stock options may be granted only to eligible persons, being directors, officers, employees and consultants of the Company and any of its affiliates, and to consultant companies.

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any option awarded prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option, and any vesting schedule as determined by the Board. Such vesting, terms and conditions to be referred to in a schedule attached to the option certificate.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Company. However, unless the Company has received disinterested shareholder approval, in no case will the number of Common Shares reserved for issuance and issuable within a one-year period to insiders, and issuable to insiders at any time, under the Plan, or when combined with all of the Company's other security-based compensation arrangements, exceed 10% of issued and outstanding Common Shares.

Options awarded under the Plan will be for a term not to exceed ten years from their award date. Unless the Company otherwise decides, in the event an option holder ceases to be a director, officer, consultant or employee of the Company other than by reason of death, his or her option will expire on the earlier of the expiry date stated in the option certificate (the “**Fixed Expiry Date**”) and the 90th day following termination of his or her relationship with the Company. Notwithstanding the foregoing, an option will expire immediately in the event a relationship with a director, officer, employee or consultant is terminated for cause (as such term is defined in the Plan). In the event of the death of an option holder, his or her option will expire six months after the date of death or on the Fixed Expiry Date, whichever is earlier. In the event of a change of control of the Company, the Board may, in its sole discretion, deal with outstanding options in the manner it deems fair and reasonable in light of the circumstances.

Except in respect of options that were granted pursuant to the Arrangement, as hereinafter defined, the minimum exercise price of any options issued under the Plan will be the last daily closing price per Common Share on the TSX on the trading day immediately preceding the grant date.

The price at which an option holder may purchase a common share upon the exercise of an option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the market price of the Company’s Common Shares as of the date of the award of the stock option (the “**Award Date**”). The market price of the Company’s Common Shares for a particular Award Date would typically be the closing trading price of the Company’s Common Shares on the last trading day immediately preceding the Award Date and if there was no sale on the TSX on such date, then the last sale prior thereto, or otherwise in accordance with the terms of the Plan.

Options may not be assigned or transferred with the exception of assignments to a personal representative of a participant: (i) where they are unable to manage their own affairs; or (ii) on the death of the participant.

Under the terms of the Plan, if an option expires during a period in which a trading black-out period is imposed by the Company to restrict trades in the Company’s securities, the option will expire ten business days after the black-out period is lifted by the Company.

The Board may, subject to the approval of any regulatory authority, and the approval of shareholders where required by such regulatory authority, amend the Plan or any option at any time. Subject to the policies of the TSX, the Board may, at any time, without obtaining the approval of the shareholders, amend the Plan or any option granted thereunder, in the following circumstances:

- (a) amendments of a “housekeeping nature including, but not limited to, of a clerical grammatical or typographical nature;
- (b) to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (c) a change to the vesting provisions of the any option or the Plan;
- (d) amendments to reflect any changes in requirements of any regulatory or stock exchange to which the Company is subject;
- (e) a change to the termination provisions of an option which does not result in an extension beyond the original term of the option;
- (f) in the case of any option, the substitutions and/or adjustments contemplated under the adjustment provisions of the Plan;
- (g) the addition of a cashless exercise feature, payable in cash or securities of the Company; and
- (h) a change to the class of eligible persons that may participate under the Plan,

provided that, in the case of any option, no such amendment may, without the consent of the participant, materially decrease the rights or benefit accruing to such participant or materially increase the obligations of such participant. Specific disinterested shareholder approval is required for any reduction in the exercise price of an option or any extension of the term of an option for an optionee who is an insider at the time of the proposed amendment.

Subject to any required action by the shareholders and any necessary approval of the regulatory authorities, the exercise price and the number of Common Shares which are subject to an option may be adjusted from time to time for share dividends, in the event of arrangement, amalgamation, or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, and any other change that the board in its sole discretion, determines equitable requires and adjustment to be made.

There are no stock appreciation rights (SAR) associated with options granted under the Plan and there is no provision under the Plan to transform stock options into stock appreciation rights.

Common shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options.

Pursuant to an addendum (the “**Addendum**”) to the Plan, notwithstanding the terms of the Plan, the option price, option period and other terms applicable to options issued to each Exeter optionholder in accordance and pursuant to the Arrangement, shall be modified as required to comply with the terms of the Arrangement, as hereinafter defined. In addition the Board may waive the application of section 3.4(b), 3.4(c) and 3.4(d) of the Plan regarding ceasing to be director, ceasing to be an employee or consultant and ceasing to be an officer to the extent that these provisions result in the termination of any option to which the Addendum applies.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

No proposed director (or any of such director’s personal holding companies) of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was the subject of a cease trade order 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 while that person was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

No proposed director (or any of such director's personal holding companies) 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 whether to vote for a proposed director.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and in this Information Circular, and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, Common Shares of the Company, or exercising control or direction over Common Shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since January 1, 2010 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

In March, 2010, the Company completed a spin-out transaction with Exeter, having an office at #1660-999 West Hastings Street, Vancouver, British Columbia, by way of a plan of arrangement (the "**Arrangement**"), such that the Company now holds all of Exeter's former interest in the Argentine Cerro Moro and Don Sixto Projects as well as its Argentine Patagonian exploration projects and an initial \$25 million from Exeter. As a result of the Arrangement, Exeter shareholders (other than dissenting shareholders) received one new common share of Exeter and one Common Share for each Exeter common share held at the close of business on the Arrangement record date. Under the Arrangement, each option holder in Exeter received one option in the Company for each option held thereby and each warrant holder in Exeter received one warrant for each warrant held thereby. Messrs. Roxburgh, Simpson, and Reynolds, directors and director nominees of the Company, are directors and/or officers of Exeter and were directors of Exeter at the time of the Arrangement. For more details regarding the Arrangement, please refer to the Company's audited consolidated financial statements and management discussion and analysis for the year ended December 31, 2010, which may be viewed by accessing the Company's profile on SEDAR at www.sedar.com.

MANAGEMENT CONTRACTS

Except as set forth below, no management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

Subsequent to the Arrangement, the Company reimburses Exeter for common expenditures incurred, based upon a mutually agreed percentage allocation of such expenditures. For the year ended December 31, 2010, the percentage allocation was 40% resulting in approximately \$285,000 being reimbursed to Exeter for administration, support, office overhead and travel. The Company and Exeter share three common directors, Messrs. Roxburgh, Simpson, and Reynolds.

Pursuant to a consulting agreement made effective the 26th day of November, 2010 among the Company, Exeter and Rugby Mining Limited (collectively the "**Joint Companies**"), Canita Consulting Corporation ("**Canita**") of Vancouver, British Columbia and Marina Trasolini ("**Trasolini**"), Canita provides the corporate development services of Trasolini to the Joint Companies. Canita is controlled by Marina Trasolini. The Joint Companies agreed to pay Canita an initial monthly fee of \$2,000 on an initial three month trial period. Effective February 1, 2011, the Joint Companies pay Canita a monthly consulting fee of \$9,583.33 and increased to \$10,416.66 effective May 1, 2011 plus \$137.34 for insurance costs plus all applicable harmonized sales tax that is applicable thereon, for Trasolini's services and reimbursement of any reasonable travelling and other direct expenses incurred by Trasolini in connection with the services. Pursuant to the consulting agreement, the Company granted Trasolini incentive

stock options to purchase 100,000 Common Shares exercisable at \$6.12 per Common Share until November 26, 2015. The options vest as to 25% from the date of the consulting agreement and the balance vest as to 25% each six months thereafter. The consulting agreement may be terminated by any of the Joint Companies upon 90 days written notice to Canita and Canita may terminate the consulting agreement and the engagement of any one or more of the Joint Companies by giving such Joint Company 90 days written notice. Pursuant to the consultant agreement, the Joint Companies may terminate the consulting agreement without notice upon the occurrence of any of the following events:

- (a) Canita's conviction of a crime (indictable level or penalized by incarceration or a lesser crime related to the provision of the services), or any act involving money or other property of the Company and its subsidiaries that would constitute a crime in the jurisdiction involved; or
- (b) for just cause that would in law permit the Joint Companies to, without notice, terminate the employment of Canita.

The Joint Companies share three common directors, Messrs. Roxburgh, Simpson and Reynolds.

APPOINTMENT OF AUDITORS

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 Company. PricewaterhouseCoopers LLP were first appointed auditors of the Company on January 10, 2010. It is also proposed that the shareholders authorize the directors to fix the remuneration to be paid to the auditors.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Amendment to the Articles

The Articles of the Company currently provide that the Board of the Company consist of a minimum of 1 and a maximum of 8 unless the Company is a "distributing corporation" in which case the minimum shall be 3 directors. The Board is proposing that the maximum number of directors be increased to 12. The amendment is primarily motivated by the Board's desire to increase flexibility in its succession planning process in the event that the Continuance (as defined below) is not approved by the shareholders or the Board otherwise determines not to proceed with the Continuance.

At the Meeting, shareholders will be asked to consider and if deemed advisable to approve amendments to the Articles to increase the maximum number of directors from 8 to 12. Approval of the amendment requires the approval of the shareholders by special resolution, being not less than two-thirds of the votes cast by shareholders on the resolution. If the resolution is not approved by the requisite number of shareholders, the Articles will not be amended and the maximum number of directors will remain at 8.

If the Continuance is approved and proceeds the number of directors will be the number in office at the time the Company is first recognized under the *Business Corporations Act* (British Columbia) ("BCBCA"). In such case the Board will be entitled to additional directors between shareholders meetings provided the number of such additional directors does not exceed the number of first directors under the BCBCA by greater than one-third.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve the following special resolution:

BE IT RESOLVED, as a special resolution, that:

1. The Articles of the Company be amended to increase the maximum number of directors of the Company from 8 to 12;

2. Item 5 of the Articles be amended from “ Minimum of 1 and a Maximum 8 unless the Corporation is a “distributing corporation” in which case the minimum shall be 3” to “Minimum of 1 and a Maximum 12 unless the Corporation is a “distributing corporation” in which case the minimum shall be 3”;
3. Notwithstanding that this special resolution has been duly adopted and approved by the shareholders of the Company, the directors of the Company be, and they are hereby, authorized and empowered to revoke this special resolution at any time before it is acted upon, and to determine not to proceed with the amendment of the Company’s articles to increase the maximum number of directors from 8 to 12 without further approval of the shareholders of the Company; and
4. Any one officer or director of the Company be and is hereby authorized and directed to execute and deliver all such documents and instruments, including articles of amendment of the Company, and to do all such other things and take such other actions as may be necessary or desirable to give effect to these resolutions.

Unless contrary instructions are indicated on the instrument of proxy or voting instruction form, the persons designated in the accompanying instrument of proxy or voting instruction form intend to vote FOR the special resolution to approve the amendment to the Articles.

Continuance of the Company under the Business Corporations Act (*British Columbia*) and Adoption of New Articles

General

The Company is currently governed by the CBCA. The board of directors of a corporation governed by the CBCA must be comprised of at least one-quarter Canadian residents. Given the international nature of the Company’s business and that all of its assets are in Argentina, the Board has determined that it would be appropriate to give the Company the flexibility to have a Board which is not required to be comprised of one-quarter Canadian residents. The management of the Company is of the view it is in the best interest of the Company to continue (the “**Continuance**”) the Company from the federal laws of Canada under the CBCA to the laws of British Columbia under the BCBCA. The BCBCA does not require any of the directors of a company governed by it to be Canadian residents.

Continuance Process

In order to continue as a company under the BCBCA the following principal steps must be taken:

- pursuant to the provisions of the CBCA, the Company must obtain the approval of the shareholders by special resolution, being a resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy at the Meeting;
- if the Continuance is approved by shareholders at the Meeting, the Company must make application to the Registrar under the BCBCA to continue under the BCBCA; and
- if the Continuance is approved by shareholders at the Meeting, the Company must make application to the Director under the CBCA for a Certificate of Discontinuance under the CBCA.

The foregoing does not purport to be a comprehensive statement of the steps needed to continue the Company to British Columbia, rather, it is a broad outline of the steps involved.

Upon the Continuance to British Columbia becoming effective, the Company will be deemed to have been incorporated under and will be subject to the BCBCA, and will cease to be a corporation existing under the CBCA.

The Continuance, if approved, will effect a change in the legal domicile of the Company as of the effective date and time thereof and will affect certain of the rights of shareholders as they currently exist under the CBCA and the current articles and by-laws of the Company. Management to the Company is of the view that the BCBCA will provide to shareholders substantively the same rights as are available to shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions and that shareholders will not be adversely affected by the Continuance. **However, shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them. Also see “Differences Between the BCBCA and the CBCA”.**

Form of New Articles

Approval of the Continuance will require the adoption by the Company of new form of Articles (“**New Articles**”) pursuant to the BCBCA, a copy of which New Articles are attached to this Circular as Schedule “D”, and will be presented at the Meeting. Upon the Continuance of the Company to British Columbia becoming effective, New Articles of the Company will replace the existing articles and by-laws of the Company.

Under the BCBCA, a corporation is permitted in its articles to set out the type of approval required for certain corporate changes. Under the BCBCA, a corporation may choose different thresholds of support for specific resolutions, including changes such as the subdivision or consolidation of its shares and a change in the name of the corporation. Changes such as subdivisions, consolidations and name changes are required to be approved by shareholders under the CBCA.

As a result, as allowed under the BCBCA, management and the Board are proposing that the New Articles provide for the following matters to require a directors’ resolution only, and not require a shareholders’ resolution (recognizing that regulatory authorities may require shareholder approval in certain cases in any event):

- (i) a subdivision of all or any of the unissued, or fully paid issued, shares;
- (ii) a consolidation of all or any of the unissued, or fully paid issued, shares; and
- (iii) a change of name of the Company.

Other capital and share structure changes will continue to require shareholder approval. Any such change would continue to be subject to the applicable securities laws and the rules and policies of applicable stock exchanges (which may require shareholder approval in certain cases).

Continuance Resolution

Accordingly, the shareholders are being asked to pass a special resolution (the “**Continuance Resolution**”), the text of which is attached to this Circular as Schedule “B”, subject to regulatory approval, authorizing the Continuance and the adoption of the form of New Articles under the provisions of the BCBCA.

Upon the Continuance under the BCBCA becoming effective, the Company will become a company to which the BCBCA applies as if it had been incorporated under the BCBCA, and the CBCA will cease to apply to the Company. Upon the Continuance becoming effective, shareholders will continue to hold one (1) Common Share of Company for each one Common Share of the Company currently held. The principal attributes of the Common Shares of the Company after Continuance will be identical to the corresponding shares of the Company prior to the Continuance other than differences in shareholders’ rights under the CBCA and the BCBCA, a summary of which is provided below.

The directors and officers of the Company immediately following the Continuance will be identical to the directors and officers of the Company immediately prior to the Continuance. As of the effective date of the Continuance, the election, duties, resignations and removal of the Company’s directors and officers shall be governed by the BCBCA, and the proposed New Articles, as approved by the shareholders and adopted by the directors of the Company.

In the event that shareholder approval to the Continuance Resolution is not given, the Company will continue to be governed by the provisions of the CBCA.

Procedure

Under the CBCA, in order to effect the Continuance of the Company from the laws of Canada to the laws of British Columbia, the Company must obtain the approval of its shareholders by way of special resolution under the CBCA, being a resolution passed by not less than two-thirds of the votes cast in person or by proxy at the Meeting. The Company must also make a written application to the Director under the CBCA for consent to continue into another jurisdiction.

If the Continuance Resolution is passed, after the Meeting the Company intends to file the aforesaid application and other prescribed documents under the BCBCA with the Registrar under the BCBCA to obtain a Certificate of Continuance. Pursuant to the CBCA, the Company is deemed to cease to be a company within the meaning of the CBCA on and after the date on which it is deemed to be continued under the laws of the BCBCA pursuant to the issuance of the Certificate of Continuance from the Registrar of Companies under the BCBCA.

Notwithstanding the Continuance of the Company from the laws of Canada to the laws of BCBCA, the BCBCA and the CBCA provide that all the rights of creditors of the Company against the Company's property, rights and assets and all liens on the Company's property, rights and assets are unimpaired by the Continuance. All debts, contracts, liabilities and duties of the Company continue to attach to the Company upon being continued under the BCBCA and continue to be enforceable against it as if the Company had remained incorporated under the CBCA as well as any existing cause of action, claim or legal proceeding against the Company.

Holders of Common Shares have the right to dissent to the Continuance under Section 190 of the CBCA. However, if the Company anticipates any substantial cost to it as a result of the exercise of dissent rights, it will not proceed with the Continuance.

Differences Between the BCBCA and the CBCA

Corporate Governance Differences

In general terms, the CBCA provides to shareholders substantively the same rights as are available to shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings and certain shareholder remedies.

The following is a summary comparison of certain provisions and the highlights of the BCBCA and the CBCA which pertain to rights of shareholders. This summary is not intended to be exhaustive and Shareholders should consult their legal advisers regarding all of the implications of the Continuance.

Charter Documents

Under the CBCA, the charter documents consist of a corporation's articles of incorporation, which set forth, among other things, the name of the corporation and the amount and type of authorized capital, and by-laws, which govern the management of the corporation. The charter documents might also be in the form of articles of amalgamation or continuance.

Under the BCBCA, the charter documents consist of notice of articles, which sets forth the name of the corporation and the amount and type of authorized capital, and articles, which govern the management of the corporation.

Amendments to Charter Documents

Any substantive change to the corporate charter of a corporation under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by a corporation, a change in the name of a corporation or an increase or reduction of the authorized capital of a corporation requires a special resolution passed by the majority of votes that the articles of the corporation specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Other fundamental changes such as an alteration of the special rights and restrictions attached to issued shares or a proposed amalgamation or continuance of a corporation out of the jurisdiction require a similar special resolution passed by holders of shares of each class entitled to vote at a general meeting of the corporation and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions.

Under the CBCA, certain fundamental changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration at a special meeting of shareholders and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the alteration than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate a CBCA corporation requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote separately as a class or series under section 176 of the CBCA.

Sale of Undertaking

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the articles of the corporation specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

The CBCA requires approval of the holders of shares of each class or series of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the “undertaking”) of the corporation other than in the ordinary course of business of the corporation, and the holders of shares of a class or series are entitled to vote separately only if the sale, lease or exchange would affect such class or series in a manner different from the shares of another class or series entitled to vote. While the shareholder approval thresholds will be the same under the BCBCA as under the CBCA, there are differences in the nature of the sale which requires such approval (i.e. a sale of all or substantially all of the “property” under the CBCA and of all or substantially all of the “undertaking” under the BCBCA).

Rights of Dissent and Appraisal

Under the CBCA, shareholders who dissent to certain actions being taken by the corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares.

The dissent right may be exercised by a holder of shares of any class of the corporation in certain circumstances, including when the corporation proposes to:

- (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of shares of that class;

- (b) amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on;
- (c) enter into certain statutory amalgamations;
- (d) continue out of the jurisdiction;
- (e) sell, lease or exchange all or substantially all of its property, other than in the ordinary course of business;
- (f) carry out a going-private transaction or squeeze-out transaction; or
- (g) amend its articles to alter the rights or privileges attaching to shares of any class where such alteration triggers a class vote.

Although the procedure under BCBCA for exercising rights of dissent differs from the procedure under the CBCA, the BCBCA still provides that shareholders who dissent to certain actions being taken by the corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

- (a) amend its articles to alter restrictions on the powers of the corporation or the business that the corporation is permitted to carry on;
- (b) adopt an amalgamation agreement;
- (c) continue out of the jurisdiction;
- (d) sell, lease or otherwise dispose of all or substantially all of the corporation's undertaking;
- (e) adopt a resolution to approve an amalgamation into a foreign jurisdiction;
- (f) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

See "Shareholders' Rights of Dissent in Respect of the Continuance Resolution" and Schedule "C" to the Information Circular.

Oppression Remedies

Under the BCBCA, a shareholder of a corporation has the right to apply to a court on the ground that:

- (a) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or
- (b) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the corporation.

The CBCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the CBCA, a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, (i) any act or omission of the corporation or its affiliates effects a result, (ii) the business or affairs of the corporation or its affiliates are, have been carried on or conducted in a manner, or (iii) the powers of the directors of the corporation or any of its affiliates are, have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation. A broader right to bring a derivative action is contained in the CBCA, and this right extends to a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and a former officer of a corporation or any of its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. No leave may be granted under the CBCA unless the court is satisfied that:

- (a) the complainant has given at least fourteen days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Place of Meetings

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws.

Under the BCBCA, general meetings of shareholders are to be held in British Columbia or may be held, at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) the articles do not restrict the corporation from approving a location outside of British Columbia, the location is approved by the resolution required by the articles for that purpose (in the case of the corporation, may approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location is approved in writing by the Registrar of Companies before the meeting is held.

Directors

The BCBCA provides that the corporation, as a reporting corporation, must have a minimum of three directors and does not impose any residency requirements on the directors.

The CBCA also requires that the corporation, as a distributing corporation whose shares are held by more than one person, have a minimum of three directors but it also requires that at least one-quarter of the directors be resident Canadians.

Requisition of Meetings

Both the CBCA and the BCBCA provide that one or more shareholders of the corporation holding not less than 5% of the issued voting shares may give notice to the directors requiring them to call and hold a general meeting of the corporation.

Shareholders' Rights of Dissent in Respect of the Continuance Resolution

Section 190 of the CBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes, including the Continuance (“**Dissent Rights**”). Any registered shareholder who dissents from the Continuance Resolution in compliance with section 190 of the CBCA (each, a “**Dissenting Shareholder**”), will be entitled to be paid the fair value of the Company shares held by such Dissenting Shareholder determined as of the close of business on the day before the day the Continuance Resolution is adopted.

Section 190 of the CBCA provides that a shareholder may only make a claim under that section with respect to all of the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that only a registered shareholder may exercise the Dissent Rights in respect of Common Shares that are registered in that shareholder's name.

In many cases, shares beneficially owned by a non-registered holder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. Accordingly, a non-registered holder will not be entitled to exercise its Dissent Rights directly (unless the shares are re-registered in the nonregistered holder's name). A non-registered holder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the non-registered holder deals in respect of its shares and either: (i) instruct the Intermediary to exercise the Dissent Rights on the non-registered holder's behalf (which, if the Common Shares are registered in the name of CDS or other clearing agency, may require that such Common Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such Common Shares in the name of the non-registered holder, in which case the non-registered holder would be able to exercise the Dissent Rights directly.

A registered shareholder who wishes to dissent must provide a dissent notice to the Company at its registered office, Suite 2300 – 550 Burrard Street, Vancouver, British Columbia V6C 2B5 to be received not later than 2:00 p.m. (Vancouver time) on June 7, 2011 (or 5:00 p.m. (Toronto time)) on the day which is two business days immediately preceding any adjourned or postponed Meeting. Failure to strictly comply with these dissent procedures may result in the loss or unavailability of the Dissent Rights.

The filing of a dissent notice does not deprive a registered shareholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a registered shareholder who has submitted a dissent notice and who votes for the Continuance Resolution will no longer be considered a Dissenting Shareholder with respect to that class of shares voted for the Continuance Resolution, being the Common Shares. The CBCA does not provide, and the Company will not assume, that a proxy submitted instructing the proxyholder to vote against the Continuance Resolution or an abstention constitutes a dissent notice, but a registered shareholder need not vote its Common Shares against the Continuance Resolution in order to dissent.

Similarly, the revocation of a proxy conferring authority on the proxyholder to vote for the Continuance Resolution does not constitute a dissent notice. However, any proxy granted by a registered shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Continuance Resolution, should be validly revoked in order to prevent the proxyholder from voting such Common Shares in favour of the Continuance Resolution and thereby causing the registered shareholder to forfeit its Dissent Rights.

The Company is required, within ten (10) days after shareholders adopt the Continuance Resolution, to notify each Dissenting Shareholder that the Continuance Resolution has been adopted. Such notice is not required to be sent to any shareholder who voted for the Continuance Resolution or who has withdrawn its dissent notice.

A Dissenting Shareholder who has not withdrawn its dissent notice prior to the Meeting must then, within twenty (20) days after receipt of notice that the Continuance Resolution has been adopted, or if the dissenting holder does not receive such notice, within twenty (20) days after learning that the Continuance Resolution has been adopted, send to the Company a written notice (a “**Demand for Payment**”) containing its name and address, the number of Common Shares in respect of which he or she dissents (the “**Dissenting Common Shares**”), and a demand for payment of the fair value of such Common Shares. Within thirty (30) days after sending the Demand for Payment, the Dissenting Shareholder must send to the Company or its transfer agent certificates representing Common Shares in respect of which he or she dissents. The transfer agent will endorse on share certificates received from a dissenting holder a notice that the holder is a dissenting holder and will forthwith return the share certificates to the dissenting holder. A Dissenting Shareholder who fails to make a Demand for Payment in the time required or to send certificates representing Dissenting Common Shares has no right to make a claim under section 190 of the CBCA.

Under section 190 of the CBCA, a Dissenting Shareholder ceases to have any rights as a shareholder in respect of its Dissenting Common Shares other than the right to be paid the fair value of the Dissenting Common Shares unless (i) the dissenting holder withdraws its Dissent Notice before the Company makes an offer to pay (“**Offer to Pay**”), (ii) the Company fails to make an Offer to Pay in accordance with subsection 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment, or (iii) the directors of the Company revoke the Continuance Resolution, in which case the Dissenting Shareholder’s rights as a shareholder will be reinstated.

The Company is required, not later than seven (7) days after the later of the day that the Continuance becomes effective and the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment an Offer to Pay for its Dissenting Common Shares in an amount considered by the Board of Directors to be the fair value of the Common Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. The Company must pay for the Dissenting Common Shares of a Dissenting shareholder within ten (10) days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Company does not receive an acceptance within thirty (30) days after the Offer to Pay has been made.

If the Company fails to make an Offer to Pay for a Dissenting Shareholder’s Common Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Company may, within fifty (50) days after the day that the Continuance becomes effective or within such further period as a court may allow, apply to a court to fix a fair value for the Common Shares of Dissenting Shareholders. If the Company fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of twenty (20) days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

If the Company or a Dissenting Shareholder makes an application to court, the Company will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel.

Upon an application to a court, all Dissenting Shareholders who have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissenting Common Shares of all dissenting holders. The final order of a court will be rendered against the Company in favour of each dissenting holder for the amount of the fair value of its Dissenting Common Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the day that the Continuance becomes effective until the date of payment.

The foregoing is only a summary of the Dissenting Shareholder provisions of the CBCA which are technical and complex. A complete copy of section 190 of the CBCA is attached as Appendix “C” to this Circular. It is recommended that any registered shareholder wishing to avail itself of its Dissent Rights under those provisions

seek legal advice, as failure to comply strictly with the provisions of the CBCA may prejudice its Dissent Rights.

The Continuance Resolution

Based on the foregoing discussion, the Company's management believes that it is in the best interest of the Company and the Company's shareholders to transfer its jurisdiction of incorporation to the BCBCA.

Accordingly, the Company Shareholders will be asked at the Meeting to consider and if thought fit, approve the Continuance Resolution, the text of which is set out in Schedule "B".

ANY OTHER MATTERS

Pursuant to the CBCA, proposals intended to be presented by shareholders for action at the 2012 Annual General Meeting must comply with the provisions of the CBCA and be deposited at the Company's head office not later than February 1, 2012 in order to be included in the Information Circular and form of proxy relating to such Meeting.

Management of the Company knows of no 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 the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com "Company Profiles – Extorre Gold Mines Limited". The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Company at Suite 1660 - 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2, (Phone: (604) 688-9512).

NYSE-AMEX CORPORATE GOVERNANCE

The Company's Common Shares are listed on the NYSE-AMEX Equities. Section 110 of the NYSE-AMEX Company Guide permits the NYSE-AMEX to consider the laws, customs and practices of foreign issuers in relaxing certain listing criteria, and to grant exemptions from listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to standards is as follows:

Shareholder Meeting Quorum Requirement: The minimum requirement for a shareholder meeting is one-third of the outstanding shares of common stock. In addition, a company listed on the NYSE-AMEX is required to state its quorum requirement in its bylaws. The Company's quorum requirement is set forth in its By-laws. A quorum for a meeting of shareholders of the Company is one or more voting persons present and authorized to cast in the aggregate not less than one-twentieth of the total votes attaching to all shares carrying the right to vote at that meeting. Pursuant to the Company's By-laws, "voting person" means, in respect of a meeting of shareholders, a shareholder entitled to vote at that meeting, a duly authorized representative of a shareholder entitled to vote at the meeting or a proxyholder entitled to vote at that meeting.

Proxy Delivery Requirement: requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set

forth is Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval for Issuance of Shares: Section 713 of the Company Guide requires shareholder approval as a prerequisite to approval of applications to list additional shares when the additional shares will be issued in connection with a transaction involving the sale or issuance by a company of common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of presently outstanding stock for less than the greater of book or market value of the stock. However, the issuance of common stock in an amount in excess of 20% of the presently outstanding stock for less than book or market value, without shareholder approval, is not prohibited under the rules of the TSX and does not constitute a default under the TSX rules or any applicable laws in Canada. For past transactions, the Company has followed the rules of the TSX and applicable laws in Canada and in future transactions, the Company may seek similar exemptions from the requirements of section 713 of the NYSE-AMEX Company Guide.

The foregoing are consistent with the laws, customs and practices in Canada.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to the shareholders of Extorre Gold Mines Limited have been approved by the directors.

DATED the 2nd day of May, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

"Yale Simpson"

Yale Simpson
Co-Chairman and Director

Schedule "A"

Statement of Corporate Governance Practices

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

The Common Shares of the Company are also listed on the New York Stock Exchange-Amex ("NYSE-AMEX"). A description of the significant ways in which the Company's governance practices differ from those followed by U.S. domestic companies pursuant to NYSE-AMEX standards is set forth below and is available on the Company's website at www.extorre.com.

Board of Directors

National Instrument 52-110 – Audit Committees ("NI 52-110") sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in NI 52-110, as at December 31, 2010 three of the members of the Board were independent. The members who were independent are Ignacio Celorrio, James Strauss and George Lawton.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Bryce G. Roxburgh	Rugby Mining Limited Exeter Resource Corporation
Yale R. Simpson	Diamonds North Resources Ltd. Dynasty Metals & Mining Inc. Rugby Mining Limited Exeter Resource Corporation Silver Quest Resources Ltd. Maudore Minerals Ltd.
Eric Roth	None
Robert G. Reynolds	Rugby Mining Limited Alacer Gold Corp. Global GeoScience Limited Exeter Resource Corporation
Ignacio Celorrio	Malbex San Juan S.A.
James Strauss	Altius Minerals Corporation Wildhorse Energy Ltd.
George Lawton	None

On occasions where it is considered advisable, the Company's independent directors will hold meetings at which non-independent directors and members of management are not in attendance. Since the beginning of the Company's most recently completed financial year, the independent directors held one meeting. Where matters discussed may involve persons having a conflict of interest, that individual does not participate in the discussion.

Mr. Yale R. Simpson and Mr. Bryce Roxburgh are Co-Chairmen of the Board and are not independent. The Board, as a whole, acts as a resource and provides guidance to independent directors. The Board, in conjunction with the Co-Chairmen, is responsible for ensuring that it discharges its responsibilities in an effective manner and that directors understand the boundaries between Board and management responsibilities.

The table below sets out the attendance of the directors at the three Board meetings and one independent director meeting held since the beginning of the most recently completed financial year until the date hereof.

Director	Board Meetings	Independent Director Meeting	Total Meetings Held
Bryce G. Roxburgh	3 out of 3	N/A	3 out of 3
Yale R. Simpson	3 out of 3	N/A	3 out of 3
Eric Roth	3 out of 3	N/A	3 out of 3
Robert G. Reynolds	3 out of 3	N/A	3 out of 3
Ignacio Celorrio	3 out of 3	1 out of 1	4 out of 4
James Strauss ⁽¹⁾	1 out of 1	1 out of 1	2 out of 2
George Lawton ⁽¹⁾	1 out of 1	1 out of 1	2 out of 2
Cecil Bond ⁽²⁾	2 out of 2	N/A	2 out of 2
Louis Montpellier ⁽²⁾	2 out of 2	N/A	2 out of 2

(1) Mr. Strauss and Mr. Lawton were appointed as directors on September 8, 2010.

(2) Mr. Bond and Mr. Montpellier ceased to be directors on September 8, 2010.

Board Mandate

The Board does not have a written mandate. However, it is required to supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. The Board actively oversees the development, adoption and implementation of the Company's strategies and plans. The Board's responsibilities include:

- to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the executive officers create a culture of integrity throughout the Company,
- the Company's strategic planning process,
- the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage risk,
- the Company's succession planning, including appointing, training and monitoring senior management,
- the Company's major business development initiatives,
- the integrity of the Company's internal control and management information systems,
- the Company's policies for communicating with shareholders and others, and
- the general review of the Company's results of operations.

The Board considers that certain decisions are sufficiently important that management should seek prior approval of the Board. Such decisions include:

- approval of the annual capital budget and any material changes to the operating budget,
- approval of the Company's business plan,
- acquisition of, or investments in new business,
- changes in the nature of the Company's business,
- changes in senior management, and
- all matters as required under the *Canada Business Corporations Act*, applicable U.S. and Canada securities laws and exchange rules and regulations.

Position Description for CEO

The Board does not have a written position description for the CEO, but considers the CEO to be primarily responsible for carrying out all strategic plans and policies as established by the Board. The CEO reports to the Board and advises and makes recommendations to the Board. The CEO facilitates communication between the Board and other members of management and employees, and between the Company and its shareholders. The Board has developed written position descriptions for the Chair's or each of the Board Committees. Such descriptions are respectively contained in the mandates of the Compensation Committee and Nominating and Corporate Governance Committee.

Position Description for Chairman

The Board does not have a written position description for the Co-Chairmen, but considers the Co-Chairmen to be primarily responsible for carrying out all strategic plans and policies as established by the Board. A Co-Chairmen generally chairs the meetings of the board and actively seeks out the views of independent directors on all board matters.

Orientation and Continuing Education

The Board provides ad hoc orientation for new directors.

On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, including legal counsel, who can answer any questions that may arise. Regular technical presentations are made to the Board members to keep them informed of the Company's operations.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The Company is committed to the highest standards of legal and ethical business conduct. This Code summarizes the legal, ethical and regulatory standards that the Company must follow and is a reminder to directors, officers and employees, of the seriousness of this commitment. Compliance with this Code and high standards of business conduct is mandatory for every director, officer and employee of the Company. The Code is intended to help directors, officers and employees understand what is expected of them and to carry out their responsibilities.

The Code addresses such matters as confidentiality of corporate information, conflicts of interest and corporate opportunities, dealing with competitors, employees conducting business with the Company, the use of corporate assets, compliance with all rules and regulation applicable to the Company's business, disclosure related matters,

and reporting of violations. The Code is available at the Company's web site at www.extorre.com, on the SEDAR website at www.sedar.com and the EDGAR website at www.sec.gov.

In addition to the requirements of the Code, directors are required to comply with the relevant provisions of the *Canada Business Corporations Act*, applicable Canadian and U.S. securities laws and exchange rules and regulations regarding conflicts of interest. If a director is in a conflict of interest or potential conflict of interest as a result of a proposed contract, that director may not participate in or be permitted to hear the discussion of the matter at any meeting of directors except to disclose material facts and respond to questions. The director will not be counted in determining the presence of a quorum for purposes of the vote and will not vote on any resolution to approve the proposed contract or be present in the meeting room when the vote is taken.

In addition to the Code, the Company has adopted a Privacy Policy concerning employee personal information, collection, use and disclosure of personal information, security of personal information, requests for access to personal information, limitation on access to personal information, requests for correction of personal information and contacting or communicating with the Company. The Company has also adopted a Securities Trading Policy for its directors, officers and employees of the Company and its subsidiaries, to raise the general level of awareness of the trading and confidentiality obligations of employees, officers and directors. All directors, officers and employees are expected to comply with the Securities Trading Policy.

Environment and Corporate Social Responsibility Principles and Policy

The Company has adopted an Environment and Corporate Social Responsibility Principles and Policy for its directors, officers, employees, contractors and associates. The Company's Environment and Corporate Social Responsibility Principles and Policy sets out the principles that all directors, management and employees are required to adhere to while conducting Company business. The principles are (i) environmental stewardship, which sets the objective of minimizing negative impacts on the environment; (ii) a commitment to conduct due diligence before undertaking material activities on the ground to ensure proper management of issues surrounding these activities; (iii) a commitment to engage host communities and other affected and interested parties by including all parties and providing clear and accurate information; (iv) a commitment to contribute to community development in the communities in which the Company operates; (v) a commitment to uphold Human Rights; (vi) to safeguard the health and safety of workers and local populations by implementing sound health and safety policies; (vii) a commitment to accurate and transparent reporting; and (viii) a commitment to ethical business practices.

Board Committees

The Board has three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The committees and their mandates and memberships are described below.

Audit Committee

The Audit Committee meets with the CEO and CFO of the Company and the independent auditors to review and inquire into matters affecting financial reporting matters, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee also recommends to the Board the independent registered public accounting firm to be appointed. In addition, the Audit Committee reviews and recommends to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities. As at December 31, 2010, the Audit Committee is composed of George Lawton (Chair), Robert G. Reynolds and Ignacio Celorrio, all of whom were "financially literate" and "independent" within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110, applicable U.S. securities laws and applicable exchange rules and regulations as of this date.

The Board has not developed a written position description for the Chairman of the Audit Committee, but considers the Chairman to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Audit Committee's operations, reporting to the Board on the Audit Committee's decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the Audit Committee.

The Company's AIF, which has been filed on SEDAR, contains additional disclosure regarding the Audit Committee. Please refer to the section of the AIF entitled "Audit Committee" for further information.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is composed of Robert G. Reynolds, Ignacio Celorrio and James Strauss (Chair), all of whom were independent directors. As noted in more detail, below, the mandate of the Nominating and Corporate Governance Committee is to:

- (a) identify and recommend to the Board individuals qualified to be nominated for election to the Board;
- (b) recommend to the Board the members and Chairperson for each Board Committee; and
- (c) periodically review and access to Company's corporate governance principles and make recommendations for changes thereto to the Board.

In connection with the meetings of the Nominating and Corporate Governance Committee, the Chairman is responsible for the following:

- (a) the specific responsibility to ensure the independence of the Board in the discharge of its responsibilities;
- (b) presiding at each meeting of the Nominating and Corporate Governance Committee, and, in consultation with the other members of the Committee, setting the frequency and length of each meeting and the agenda of items to be addressed at each meeting;
- (c) ensuring that the agenda for each upcoming meeting of the Nominating and Corporate Governance Committee, is circulated to each member of the Committee and to the Chair of the Board in advance of such meeting;
- (d) leading the Nominating and Corporate Governance Committee in discharging each of the tasks assigned to it under the Charter; and
- (e) reporting to the full Board on the activities of the Nominating and Corporate Governance Committee.

In fulfilling its responsibilities with respect to nominations, the following functions are the common, recurring activities of the Nominating and Corporate Governance Committee in carrying out its duties:

- (a) the Nominating and Corporate Governance Committee shall lead the search for individuals qualified to become members of the Board;
- (b) the Nominating and Corporate Governance Committee shall evaluate and recommend to the Board candidates for nomination, for election or re-election as directors;
- (c) in the event of a vacancy on the Board, or if the Nominating and Corporate Governance Committee becomes aware of a pending vacancy and the Board determines that such vacancy shall be filled by the Board, the Committee shall recommend to the Board qualified individuals for appointment to the Board;
- (d) the Nominating and Corporate Governance Committee shall establish and oversee appropriate director, orientation and continuing education programs; and

- (e) in assessing the qualification of a candidate the Nominating and Corporate Governance Committee observes the following guidelines (i) bears in mind any rules or regulations on independent of the SEC, CSA, NYSE-Amex or any other such regulatory body having jurisdiction over the Company and such other factors as it deems advisable and (ii) considers their other obligations and time commitments and their ability to attend meetings in person.

The corporate governance responsibilities of the Nominating and Corporate Governance Committee include:

- (a) making recommendations to the Board regarding an appropriate organization and structure for the Board;
- (b) evaluating the size, composition, membership qualifications, scope of authority, responsibilities, reporting obligations and charters of each committee of the Board;
- (c) periodically reviewing and assessing the adequacy of the Company's corporate governance principles as contained in its mandate and, should the committee deem it appropriate, developing and recommending to the Board additional corporate governance principles;
- (d) ensuring systems are in place to verify compliance with regulatory, corporate governance and disclosure requirements;
- (d) periodically reviewing the Company's constating documents in light of existing corporate governance trends, and recommending any proposed changes for adoption by the Board or submission by the Board to the Company's shareholders;
- (e) making recommendations on the structure and logistics of board meetings and recommending matters for consideration by the Board;
- (f) considering, adopting and overseeing all processes for evaluating the performance of the Board, each committee and individual directors;
- (g) ensuring that the Board has appropriate structures and procedures so that the Board can function with the proper degree of independence from management;
- (h) providing a forum without management present to receive expressions of concern, including a concern regarding the independence of the Board from management;
- (i) regularly reviewing the time required from non-executive directors to perform their functions and assess whether they are satisfying those time requirements;
- (j) assisting the Board in dealing with conflict of interest issues as contemplated by the Code and reviewing management's monitoring of the Company's compliance with the Code; and
- (k) annually review and assess its own performance.

Compensation Committee

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to officer and director compensation, succession planning for senior management, development and retention of senior management and such other duties as directed by the Board.

The Compensation Committee is composed of Robert G. Reynolds (Chair), Ignacio Celorrio and James Strauss, all of whom were independent as at December 31, 2010.

The Chair of the Compensation Committee is responsible for overseeing the committee in carrying out its responsibilities. The duties and responsibilities of the Chair include:

- (a) presiding at each meeting of the Compensation Committee;
- (b) setting the frequency and length of each meeting and the agenda of items to be addressed at each meeting, in consultation with the other members of the Compensation Committee;
- (c) ensuring that the agenda for each upcoming meeting of the Compensation Committee is circulated to each member of the Compensation Committee, as well as each other director, in advance of such meeting;
- (d) leading the Compensation Committee in discharging each of the tasks assigned to it under its mandate; and
- (e) reporting to the full Board on the activities of the Compensation Committee.

In carrying out its duties in relation to compensation, the Compensation Committee is responsible for:

- (a) reviewing and approving the Company's compensation guidelines and structure;
- (b) reviewing and approving on an annual basis the corporate goals and objectives with respect to compensation for the chief executive officer. The Compensation Committee will evaluate at least once a year their individual performance in light of these established goals and objectives and based upon these evaluations shall set their annual compensation, including salary, bonus, incentive and equity compensation. No officer may be present when his or her compensation is considered or determined by the Compensation Committee;
- (c) reviewing and approving on an annual basis the evaluation process and compensation structure for the Company's other officers, including salary, bonus, incentive and equity compensation. The Compensation Committee will evaluate at least once a year their individual performance in light of these established goals and objectives and, based upon their evaluations, shall set their annual compensation;
- (d) reviewing the Company's incentive compensation and other equity-based plans and recommend changes in such plans to the Board as needed exercising the authority of the Board with respect to the administration of such plans;
- (e) periodically reviewing and making recommendations to the Board regarding the compensation of non-management directors, including board and committee retainers, meeting fees, equity-based compensation, and such other forms of compensation and benefits as the Compensation Committee may consider appropriate;
- (f) approving the recipients of, and the nature and size of share compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements;
- (g) approving inducement grants, which include grants of options or stock to new employees in connection with a merger or acquisition, as well as any tax-qualified, non-discriminatory employee benefit plans or non-parallel non-qualified plans, to new employees;
- (h) overseeing the appointment and removal of executive officers and reviewing and approving for executive officers, including the chief officer, any employment, severance or change in control agreements; and

- (i) approving any loans to employees as allowed by law.

While the Compensation Committee has the authority to retain compensation consultants to advise the committee, no such consultants were retained since the beginning of the Company's most recently completed financial year.

Assessment

The entire Board is responsible for regularly assessing the effectiveness and contribution of the Board, its members and committees. The majority of the Board members serve as directors for other public companies and utilize that experience when assessing the Board, its members and committees.

SCHEDULE "B"

**SPECIAL RESOLUTIONS OF SHAREHOLDERS
APPROVING THE CONTINUANCE**

"BE IS RESOLVED, as a Special Resolution, that:

1. the Company be authorized to undertake and complete the Continuance (as more particularly described in the Information Circular relating to the Company Meeting) from the *Canada Business Corporations Act*, to the Province of British Columbia, pursuant to Section 188 of the *Canada Business Corporations Act* and Section 302 of the *Business Corporations Act* (British Columbia) and any one director or officer of the Company be authorized to determine the form of documents required in respect thereof, including any supplements or amendments thereto;
2. the Company be authorized to apply to the Director appointed under the *Canada Business Corporations Act* for authorization to permit the Company to apply to the Registrar of Companies appointed under the *Business Corporations Act* (British Columbia) for a Certificate of Continuation continuing the Company as if it had been incorporated under the laws of British Columbia;
3. the Company be authorized to apply to the Registrar of Companies appointed under the *Business Corporations Act* (British Columbia) to continue as a corporation in British Columbia pursuant to the *Business Corporations Act* (British Columbia) under the name "Extorre Gold Mines Limited";
4. effective on the date of such continuation as a company under the *Business Corporations Act* (British Columbia) on the issuance of the certificate of continuation, Extorre adopt the notice of articles (the "**New Articles**") substantially in the form presented at the Meeting to replace the existing articles and by-laws of the Company, and such New Articles be, and they are hereby authorized and approved;
5. Gowling Lafleur Henderson LLP be appointed as the Company's agent to electronically file the Continuation Application with the Registrar of Companies appointed under the *Business Corporations Act* (British Columbia);
6. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the board of directors of the Company are hereby authorized, at their discretion, to determine, at any time, not to proceed with the Continuance, without further approval of the shareholders of the Company; and
7. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including as may be required to give effect to the true intent of this resolution."

SCHEDULE “C”

CANADA BUSINESS CORPORATIONS ACT

Section 190

190.(1) Right to dissent – Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

(2) **Further right** – A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) **If one class of shares** – The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Payment for shares** – In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) **No partial dissent** – A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) **Objection** – A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) **Notice of resolution** – The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

(7) **Demand for payment** – A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder’s name and address;

- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

(8) **Share certificate** – A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9) **Forfeiture** – A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) **Endorsing certificate** – A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) **Suspension of rights** – On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the dissenting shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12) **Offer to pay** – A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(13) **Same terms** – Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) **Payment** – Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(15) **Corporation may apply to court** – Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16) **Shareholder application to court** – If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

(17) **Venue** – An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18) **No security for costs** – A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) **Parties** – On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) **Powers of court** – On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21) **Appraisers** – A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22) **Final order** – The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

(23) **Interest** – A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) **Notice that subsection (26) applies** – If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) **Effect where subsection (26) applies** – If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(26) **Limitation** – A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

SCHEDULE "D"

New Articles

EXTORRE GOLD MINES LIMITED
(the “Company”)

The Company has as its articles the following articles.

Full name and signature of each incorporator	Date of signing
<hr style="width: 25%; margin-left: 0;"/> YALE R. SIMPSON	

Incorporation number:

EXTORRE GOLD MINES LIMITED
(the “Company”)

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1. Interpretation

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) **“appropriate person”** has the meaning assigned in the *Securities Transfer Act*;
- (2) **“board of directors”**, **“directors”** and **“board”** mean the directors or sole director of the Company for the time being;
- (3) **“Business Corporations Act”** means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) **“Interpretation Act”** means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (5) **“legal personal representative”** means the personal or other legal representative of a shareholder;
- (6) **“protected purchaser”** has the meaning assigned in the *Securities Transfer Act*;
- (7) **“registered address”** of a shareholder means the shareholder’s address as recorded in the central securities register;
- (8) **“seal”** means the seal of the Company, if any;
- (9) **“securities legislation”** means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **“Canadian securities legislation”** means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and **“U.S. securities legislation”** means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and
- (10) **“Securities Transfer Act”** means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. Shares and Share Certificates

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. Issue of Shares

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. Share Registers

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. Share Transfers

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (1) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (2) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (3) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. Transmission of Shares

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or

authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. Purchase of Shares

7.1 Company Authorized to Purchase Shares

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

8. Borrowing Powers

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. Alterations

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (d) alter the identifying name of any of its shares; or
 - (e) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.
- (2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares.

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued;
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (3) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value.

and alter its Notice of Articles accordingly.

9.3 Change of Name

The Company may by a resolution of the directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. Meetings of Shareholders

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Meetings of Shareholders

Subject to the *Business Corporations Act*, a meeting of shareholders may be held in or outside of British Columbia as determined by a resolution of the directors.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than

two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. Proceedings at Meetings of Shareholders

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;

- (b) consideration of any financial statements of the Company presented to the meeting;
- (c) consideration of any reports of the directors or auditor;
- (d) the setting or changing of the number of directors;
- (e) the election or appointment of directors;
- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds ($\frac{2}{3}$) of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, and Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend

In addition to those person who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any;
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or
- (3) a vice-president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders, on a show of hands and on a poll, has a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. Votes of Shareholders

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
 - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (b) be provided, at the meeting or any adjourned meeting, to the chair of the meeting or adjourned meeting or to a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company, or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.8 to 12.15 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company or any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) provided, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. Directors

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a), subject to Article 14.1:

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, subject to Article 14.8, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's

business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. Election and Removal of Directors

14.1 Election at Annual General Meeting

- (1) At each annual general meeting of the Company all the directors whose term of office expire at such annual general meeting shall cease to hold office immediately before the election of directors at such annual general meeting and the shareholders entitled to vote thereat shall elect to the board of directors, directors as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation as set out below. A retiring director shall be eligible for re-election;
- (2) Each director may be elected for a term of office of one or more years of office as may be specified by ordinary resolution at the time he is elected. In the absence of any such ordinary resolution, a director's term of office shall be one year of office. No director shall be elected for a term of office exceeding five years of office. The shareholders may, by resolution of not less than 3/4 of the votes cast on the resolution vary the term of office of any director; and
- (3) A director elected or appointed to fill a vacancy shall be elected or appointed for a term expiring immediately before the election of directors at the annual general meeting of the Company when the term of the director whose position he is filling would expire.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;

- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by a resolution of not less than 3/4 of the votes cast on such resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. Alternate Directors

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company. Every alternate director shall have a direct and personal duty to the Company arising from his alternate directorship, independent of the duties of the director who appointed him.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor and shall be deemed not to have any conflict arising out of any interest, property or office held by the appointor. An alternate director shall be deemed to be a director for all purposes of these Articles, with full power to act as a director, subject to any limitations in the instrument appointing him, and an alternate director shall be entitled to all of the indemnities and similar protections afforded directors by the *Business Corporations Act* and under these Articles. A director shall have no liability arising out of any act or omission by his alternate director to which the appointor was not a party, nor shall an alternate director have liability for any such act or omission by the appointor. Without limiting the foregoing, no duty to account to the Company shall be imposed upon an alternate director merely because he voted in respect of a contract or transaction in which the appointor was interested or which the appointor failed to disclose, nor shall any such duty be imposed upon an appointor merely because he voted in respect of a contract or transaction in which his alternate director was interested or which such alternate director failed to disclose.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. Powers and Duties of Directors

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

16.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

17. Interests of Directors and Officers

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. Proceedings of Directors

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed;
- (2) the director or alternate director, as the case may be, has waived notice of the meeting; or
- (3) the director or alternate director, as the case may be, is not, at the time, in the province of British Columbia.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consent to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. Executive and Other Committees

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. Officers

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;

- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. Indemnification

21.1 Definitions

In this Article 21:

- (1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. Dividends

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus or any part of the retained earnings or surplus so capitalized or any part thereof.

23. Documents, Records and Reports

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24. Notices

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient; or
- (6) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

24.2 Deemed Receipt of Mailing

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) emailed to a person to the email address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was emailed on the day it was emailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. Seal

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. Prohibitions

26.1 Definitions

In this Part 26:

- (1) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (2) "transfer restricted security" means:
 - (a) a share of the Company;
- (3) a security of the Company convertible into shares of the Company;
 - (a) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or

registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.