



Suite 200, Financial Plaza
204 Lambert Street
Whitehorse, Yukon
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EUROPEAN GOLDFIELDS LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting of shareholders of European Goldfields Limited (the "**Company**") will be held at the offices of Hellas Gold SA ("**Hellas Gold**"), 25 Ermou str., GR 145 64 Kifissia, Greece on **Wednesday, 12 May 2010** at 2:00 p.m. (Athens time), for the following purposes:

- (a) to receive the audited consolidated financial statements of the Company for the financial year ended 31 December 2009, together with the auditors' report thereon;
- (b) to elect directors of the Company;
- (c) to appoint auditors and to authorise the directors of the Company to fix their remuneration;
- (d) to approve the unallocated options under the Share Option Plan;
- (e) to approve the unallocated awards under the Restricted Share Unit Plan;
- (f) to approve the amendments to the Share Option Plan related to the implementation of a jointly owned equity structure;
- (g) to approve the amendments to the Share Option Plan unrelated to the implementation of a jointly owned equity structure;
- (h) to approve the amendments to the Restricted Share Unit Plan related to the implementation of a jointly owned equity structure;
- (i) to approve the amendments to the Restricted Share Unit Plan unrelated to the implementation of a jointly owned equity structure; and
- (j) to transact such further or other business as may properly come before the meeting or any adjournment or postponements thereof.

Enclosed is a copy of the audited consolidated financial statements, the auditors' report thereon and related management's discussion and analysis, together with the Management Proxy Circular and a form of proxy.

Shareholders who are unable to attend the meeting are requested to read the notes included in the form of proxy enclosed and to complete, date, sign and mail the enclosed form of proxy, or to complete the proxy by telephone or the internet, in accordance with the instructions set out in the proxy and in the Management Proxy Circular accompanying and forming part of this Notice.

DATED this 12th day of April 2010.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'M. Rachovides'.

Mark Rachovides
Executive Vice President and Director

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the meeting.



MANAGEMENT PROXY CIRCULAR

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EUROPEAN GOLDFIELDS LIMITED

MANAGEMENT PROXY CIRCULAR

As at 12 April 2010

GENERAL INFORMATION

Solicitation of Proxies

This Management Proxy Circular is provided in connection with the solicitation of proxies by management of European Goldfields Limited (the “Company”) for use at the Annual and Special Meeting of shareholders of the Company to be held on Wednesday, 12 May 2010 at 2:00 p.m. (Athens time) (the “Meeting”) and any adjournment or postponement thereof 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 and regular employees of the Company. All costs of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are the President and Executive Chairman and the Executive Vice President of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him, her or it at the Meeting has the right to do so, either by inserting such person’s name in the blank space provided in the form of proxy and striking out the two printed names or by completing another form of proxy.** To be valid, a proxy must be in writing and executed by the shareholder, or his, her or its attorney authorised in writing, unless the shareholder chooses to complete the proxy by telephone or the internet as described in the enclosed proxy form. Completed proxies must be received by Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before the time for holding the Meeting or any adjournment or postponement thereof, or delivered to the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder, or by his or her its attorney authorised in writing or, where the shareholder is a corporation, by a duly authorised officer or attorney of the corporation, and delivered either to the registrar and transfer agent of the Company, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or to the registered office of the Company, Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon Y1A 3T2, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned or postponed, the last business day preceding any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned or postponed, on the day of 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 Beneficial Holders of Shares

The shares owned by many shareholders of the Company are not registered on the records of the Company in the shareholders’ own names, but in the name of a securities dealer, bank or other intermediary, or in the name of a clearing agency (referred to in this Management Proxy Circular as “**intermediaries**”). Shareholders who do not hold their shares in their own names (referred to in this Management Proxy Circular as “**beneficial holders**”) should note that only registered shareholders may vote at the Meeting. A beneficial holder cannot be recognised at the Meeting for the purpose of voting his, her or its shares unless he, she or it is appointed by the intermediary as a proxyholder.

Applicable regulatory policy requires intermediaries to seek voting instructions from beneficial holders. Every intermediary has its own procedures to seek those instructions. Beneficial holders should follow those procedures carefully to ensure that their shares are voted at the Meeting.

The majority of brokers in Canada have delegated authority for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms or, alternatively, prepares a separate "voting instruction" form, mails those forms to beneficial holders, and asks beneficial holders to return the proxy or voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions for voting at the Meeting. A beneficial holder who receives a proxy bearing a Broadridge sticker or a voting instruction form cannot deposit that proxy or form on the Meeting date to vote common shares at the Meeting. The proxy or form must be returned to Broadridge in advance of the Meeting in order to allow the shares to be voted by the named proxyholder at the Meeting. **If you are a beneficial holder and wish to vote in person at the Meeting, please contact your broker or agent in advance of the Meeting to determine how you can do so.**

Voting of Shares Represented by Proxy and Discretionary Powers

Shares represented by proxies may be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one shareholder, in which case such proxyholder will not be entitled to vote on a show of hands. In addition, shares represented by proxies will be voted on any poll. In either case, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted or withheld from voting in accordance with the specification so made. **Shares represented by proxy will be voted FOR each matter for which no choice has 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 as 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. In the event that 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 Management Proxy Circular, management of the Company knows of no such amendment, variation or other matter to be presented to the Meeting.

Record Date and Right to Vote

The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed at 1 April 2010.

Every shareholder of record at the close of business on 1 April 2010 who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment or postponement thereof, except to the extent that such shareholder has transferred the ownership of any of his, her or its shares after 1 April 2010. If the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the shares, and demands, not later than ten days before the Meeting, that his, her or its name be included in the list of shareholders entitled to vote at the Meeting, the transferee will be entitled to vote those shares at the Meeting.

Shareholders who do not hold their shares of the Company in their own names should see the instructions above under the heading "Information for Beneficial Holders of Shares".

A person duly appointed under an instrument of proxy will be entitled to vote the shares represented thereby only if the proxy is properly completed and delivered in accordance with the requirements set out under the heading "Appointment and Revocation of Proxies" and has not been revoked.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed in this Management Proxy Circular, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of the Company at any time since the beginning of the Company's last

financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Voting Securities and Principal Holders Thereof

As at 31 March 2010, the Company has issued and outstanding 182,331,046 fully paid and non-assessable common shares, each share carrying the right to one vote. **The Company has no other classes of voting securities.**

To the knowledge of the directors and executive officers of the Company, the only person or company who beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company is:

Name	No. of Shares	Percentage
Aktor Construction International Limited, a wholly owned subsidiary of Ellaktor S.A. (ATHEX: ELTEX)	35,447,246	19.40

REPORT OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The following is a description of the Company's corporate governance practices which have been approved by the Board of Directors.

The Company and the Board of Directors recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board of Directors fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending on the state of the Company's affairs and in light of opportunities or risks faced by the Company. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Company's corporate governance practices are substantially in compliance with applicable Canadian guidelines. The Company continues to monitor developments in the United Kingdom and Canada with a view to further revising its governance policies and practices, as appropriate.

Committees of the Board of Directors

The Board of Directors currently has four committees: the Audit Committee, the Human Capital Management Committee (the "**HCM Committee**"), the Health, Safety and Environmental Committee (the "**HSE Committee**") and the Corporate Governance and Nominating Committee (the "**CGN Committee**"). From time to time, when appropriate, *ad hoc* committees of the Board of Directors may be appointed by the Board of Directors.

The CGN Committee members are Mr. Burrows (Chairman), Dr. O'Leary and Mr. Vinton, all of whom are independent directors and knowledgeable about corporate governance matters. The CGN Committee members have substantial and diversified board experience. See "Other Public Company Directorships" and "Particulars of Matters to be Acted Upon – Election of Directors".

The CGN Committee considers and recommends corporate governance programs to the Board of Directors, proposes nominees for Board of Directors and committee appointments and assists with Board of Directors and director evaluation to ensure that the Company's governance practices are rigorous, relevant and appropriate for the Company. The CGN Committee's primary focus is on effective oversight and independence from management of the Company.

Independence of the Board of Directors

Of the eight directors on the Board of Directors, the following are independent: Dr. Jeffrey O'Leary, Mr. Bruce Burrows and Mr. Alfred Vinton. Except as otherwise disclosed, the Audit Committee, the HCM Committee, the Audit Committee and the CGN Committee are all comprised entirely of independent directors and the HSE Committee has a majority of independent directors.

In recognition of the importance to the Company of effective communication with, and encouraging extensive participation by, the Company's largest shareholder, Ellaktor S.A. ("**Ellaktor**"), in matters bearing on the governance of the Company, Georgios Sossidis, who is also a director of Ellaktor, who is not considered an independent director, is invited to attend and participate in all of the committee meetings. Mr. Sossidis receives all committee materials but has no official duties or responsibilities. While he has no vote on committee matters, Mr. Sossidis' views are considered.

Martyn Konig (as President & Executive Chairman), Mark Rachovides (as Executive Vice President) and Timothy Morgan-Wynne (as Executive Vice President & Chief Financial Officer) are not independent directors.

Dimitrios Koutras is the President and General Manager of Aktor SA ("**Aktor**"), a wholly owned subsidiary of Ellaktor, which indirectly owns 19.40% of the Company's outstanding common shares and 5% of Hellas Gold's outstanding shares as at the date hereof. Mr Koutras also is a director of Ellaktor. In addition, Aktor is the general contractor for one of the Company's mineral projects. Accordingly, Mr. Koutras is not considered an independent director because it is believed he has a material relationship with the Company. Mr. Koutras' shareholdings in the Company are reported under "Particulars of Matters to be Acted Upon – Election of Directors".

Though neither the majority of the Board of Directors nor the Chairman are independent, each committee of the Board of Directors is, except as otherwise disclosed, comprised of independent directors. To further ensure that the Board of Directors is exercising independent judgment in carrying out its duties and to provide leadership for its independent directors, each committee reports directly to the Company's shareholders.

The Canadian Securities Administrators' corporate governance guidance suggests that independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. While we believe that it is important that the Board of Directors regularly meet without management of the Company, we believe that open and candid discussion amongst independent directors is not inhibited by the presence of the non-independent directors and their exclusion from such meetings is not always warranted.

Succession and Nomination of New Directors and Assessment of Effectiveness

The CGN Committee's responsibilities with respect to the nomination of directors include: identifying the appropriate competencies and skills necessary for the proper functioning of the Board of Directors as a whole; developing and annually updating a long-term plan for the Board of Director's composition that takes into consideration the independence, age, skills and experience required for the effective conduct of the Company's business; identifying nominees for election or re-election to the Board of Directors or to fill any vacancy that is anticipated; identifying and recommending to the Board of Directors individual directors to serve as members or Chairs of committees; and reviewing and making recommendations regarding the orientation and education of new directors and their ongoing education. The Board of Directors appoints a Chairman of each committee, based on the recommendation of the CGN Committee. The Chairman of the CGN Committee, in consultation with the committee members, determines the schedule and frequency of committee meetings.

As a result of the recent turnover of directors, it has not been appropriate to assess the effectiveness and contribution of the Board of Directors, its committees and individual directors.

Meetings of the Board of Directors and Committees of the Board of Directors

The Board of Directors meets a minimum of four times per year, usually every quarter and prior to the annual meeting of the Company's shareholders, and the Audit Committee meets at least four times a year. The frequency of the meetings and the nature of the meeting agendas are dependent upon the

nature of the business and affairs which the Company faces from time to time. Since the last annual meeting of shareholders, the Board of Directors met eight times, the Audit Committee met five times, the CGN Committee met three times, the HCM Committee met seven times and the HSE Committee met six times. The following table provides details regarding director attendance at Board of Directors and committee meetings held since the last annual meeting of shareholders.

Meetings Attended out of Meetings Held During Tenure

<u>Director</u>	<u>Board of Directors</u>	<u>Audit Committee</u>	<u>CGN Committee</u>	<u>HCM Committee</u>	<u>HSE Committee</u>
Bruce Burrows ⁽¹⁾	3/8	1/5	1/3	2/7	1/6
Martyn Konig, ⁽²⁾	8/8	3/5	1/3	3/7	6/6
Dimitrios Koutras	8/8	-	-	-	-
Cameron Mingay, ⁽⁴⁾	7/8	3/5	2/3	6/7	5/6
Timothy Morgan-Wynne	8/8	5/5	-	-	-
Dr. Jeffrey O'Leary	8/8	5/5	3/3	7/7	6/6
Mark Rachovides	8/8	3/5	2/3	3/7	3/6
David Reading ⁽³⁾	6/8	-	-	-	-
Georgios Sossidis	8/8	-	-	-	-

(1) Mr. Burrows was appointed as a director on 7 October 2009

(2) Mr. Konig was appointed as an executive director on 7 October 2009

(3) Mr. Reading resigned as a director on 7 October 2009

(4) Mr. Mingay resigned as a director on 29 January 2010

Other Public Company Directorships

The following table provides details regarding directorships held by the Company's directors in other public companies.

<u>Director</u>	<u>Other Public Company Directorships</u>
Bruce Burrows	JKX Oil and Gas PLC
Martyn Konig	New Gold Inc.
Dimitrios Koutras	Ellaktor S.A.
Timothy Morgan-Wynne	N/A
Dr. Jeffrey O'Leary	N/A
Mark Rachovides	OJSC Uzhuralzoloto Group of Companies, Eurogas International Inc.
Georgios Sossidis	Ellaktor S.A.
Alfred Vinton	Dinamia S.C.R. SA, GP Investments Ltd., MBA Latin America Opportunity Fund, EQMC Multistrategy Investment Fund, Hochschild Mining plc

Board of Directors Charter

The Board of Directors has a mandate which commissions the Board of Directors with the stewardship of the Company. A copy of the Board of Directors Mandate is set forth in **Appendix 1** to this Management Proxy Circular.

Position Descriptions

Given the small size of the Company's infrastructure, the Board of Directors does not feel that it is necessary at this time to formalize position descriptions for directors and officers to delineate their respective responsibilities. The roles of the executive officers of the Company are delineated on the basis of the customary practice.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board of Directors members, sufficient information (such as copies of the articles and by-laws of the Company, Board of Directors and committee mandates, recent annual reports, prospectus, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board of Directors member to ensure that new directors are familiarized with the Company's business and the procedures of the Board of Directors. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers, where appropriate, in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business Conduct

The Board of Directors has adopted a written Code of Ethics for the directors, officers and staff employees (the "**Code**"). The Code is filed on SEDAR (www.sedar.com) and posted on the Company's website (www.egoldfields.com). A copy of the Code can also be obtained, upon request, from the Corporate Secretary of the Company at Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon Y1A 3T2.

Directors and executive officers are required to disclose material interests in any transaction or agreement that the Board of Directors is considering. To ensure the exercise of independent judgment, directors or executive officers who have disclosed such an interest are prohibited from participating in the Board of Directors discussion or in voting on the transaction or agreement.

Presented by the Corporate Governance and Nominating Committee:

Bruce Burrows (Chairman)
Dr. Jeffrey O'Leary
Alfred Vinton

REPORT OF THE AUDIT COMMITTEE

For more disclosure regarding the Company's Audit Committee please refer to the section entitled "Information on the Audit Committee" in the Company's Annual Information Form dated 18 March 2010 for the financial year ended 31 December 2009 (the "AIF"), which is filed on SEDAR (www.sedar.com) and on the Company's website (www.egoldfields.com).

The Audit Committee members are Mr. Burrows (Chairman), Dr. O'Leary and Mr. Vinton, all of whom are independent directors. All of the members of the Audit Committee are financially literate to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the stock exchanges on which the Company's securities trade. The purpose of the Audit Committee of the Board of Directors is to assist the Board of Directors in fulfilling its oversight of responsibilities, including:

- maintaining the integrity of financial statements;
- complying with legal and regulatory requirements relating to financial reporting;
- appointing an external auditor, subject to shareholder approval, and approving the external auditor's compensation, reviewing its independence and qualifications, and overseeing all audit and allowable non-audit work; and
- carrying out any other duties as the Board of Directors may assign from time to time.

The Audit Committee also performs any other activities consistent with its charter, the Company's by-laws and governing laws as the Audit Committee or Board of Directors deems necessary or appropriate. In carrying out its responsibilities, the Audit Committee meets regularly with the President and Executive Chairman, the Chief Financial Officer, and without management present, with the auditors alone.

The following is a brief summary of the Audit Committee's activities in 2009.

Financial Reporting

The Audit Committee:

- reviewed the audited annual and unaudited interim financial statements, management's discussion and analysis, news releases and other financial disclosures with management and, where appropriate, the auditors prior to approval by the Board of Directors and prior to publication. These reviews included a discussion of matters required or recommended to be disclosed under generally accepted accounting principles and securities regulations and laws;
- obtained assurances from management and the auditors that the Company is in full compliance with legal and regulatory requirements related to financial reporting; and
- based on this information, the Audit Committee recommended to the Board of Directors that the audited financial statements be approved.

With Respect to the Auditors

The Audit Committee oversaw the work of the external auditors, including:

- reviewing with the auditors the overall scope, the audit plans and results and all matters pertaining to professional auditing guidelines and standards in the United Kingdom and Canada;
- receiving the written disclosures from the auditors as recommended by the Canadian Institute of Chartered Accountants;
- reviewing, with the auditors, the independence of the auditors including the receipt of the auditor's written assurance of its independent relationship with the Company and a review of and pre-approving non-audit services provided to the Company and its subsidiaries;
- requiring prior approval of all services provided by the auditors;

- approving the fees payable to the auditors; and
- reviewing the overall performance of the auditors.

On the recommendation of the Audit Committee, the Board of Directors is recommending that shareholders appoint Ernst & Young LLP as the auditor of the Company for 2010.

Charter and Key Practices

The Audit Committee:

- reviewed and approved the fees of the auditors. A detailed breakdown of fees is set out under the heading “Information on the Audit Committee – External Auditors Service Fees” of the Company’s AIF for the financial year ended 31 December 2009;
- in pursuit of continuous improvement, continued the process for assessing its effectiveness; and
- ensured that the full text of the Audit Committee’s Charter was included in the Company’s AIF for the financial year ended 31 December 2009.

Further disclosure required by Form 52-110F1 relating to the Audit Committee is included in the Company’s AIF for the financial year ended 31 December 2009, which is filed on SEDAR (www.sedar.com) and on the Company’s website (www.egoldfields.com).

Presented by the Audit Committee:

Bruce Burrows (Chairman)
 Jeffrey O’Leary
 Alfred Vinton

REPORT OF THE HUMAN CAPITAL MANAGEMENT COMMITTEE

The HCM Committee members are Mr. Burrows (Chairman), Dr. O’Leary and Mr. Vinton, all of whom are independent directors. The HCM Committee met seven times since the last annual meeting of shareholders, including four in camera sessions. All meetings of the HCM Committee are documented in the form of meeting minutes.

The HCM Committee of the Board of Directors has the following responsibilities as mandated in its charter:

- reviewing and approving the corporate goals and objectives relevant to President and Executive Chairman (“**President & Executive Chairman**”) compensation, evaluating the President & Executive Chairman’s performance, and making recommendations to the Board of Directors with respect to the President & Executive Chairman’s compensation level based upon this evaluation;
- making recommendations to the Board of Directors with respect to compensation of executives and other senior managers, and for fixing the compensation of Named Executive Officers (as defined below), including the award of bonuses, granting of stock options and restricted share units (“**RSUs**”) under the Company’s long term incentive plans;
- reviewing executive compensation disclosure before the Company publicly discloses this information; and
- reviewing compensation policies and proposals with reference to industries and markets in which the Company competes for executive and senior management talent.

Currency

All dollar amounts referred to herein are in Canadian dollars, unless stated otherwise. The exchange rates for U.S. dollars, the currency in which the Company’s audited consolidated financial statements are

reported, expressed in Canadian dollars are based upon the exchange rates provided by the European Central Bank on the applicable date of determination.

Executive Compensation

Compensation Discussion and Analysis

Executive Summary

The following contains a description of the Company's executive compensation programs and objectives. With a view to continually enhancing and developing good corporate governance practices, the Company is in the process of refining its compensation policies. The Company anticipates that this will be an ongoing process, particularly as it enters the next phase of development.

Objectives of Executive Compensation

The HCM Committee endeavours to ensure that the Company's compensation policies:

- attract and retain key talent;
- align the interests of our executive officers with the interests of the Company's shareholders; and
- ensure that a significant proportion of compensation is at risk and directly linked to the success of the Company.

How Executive Compensation is Determined

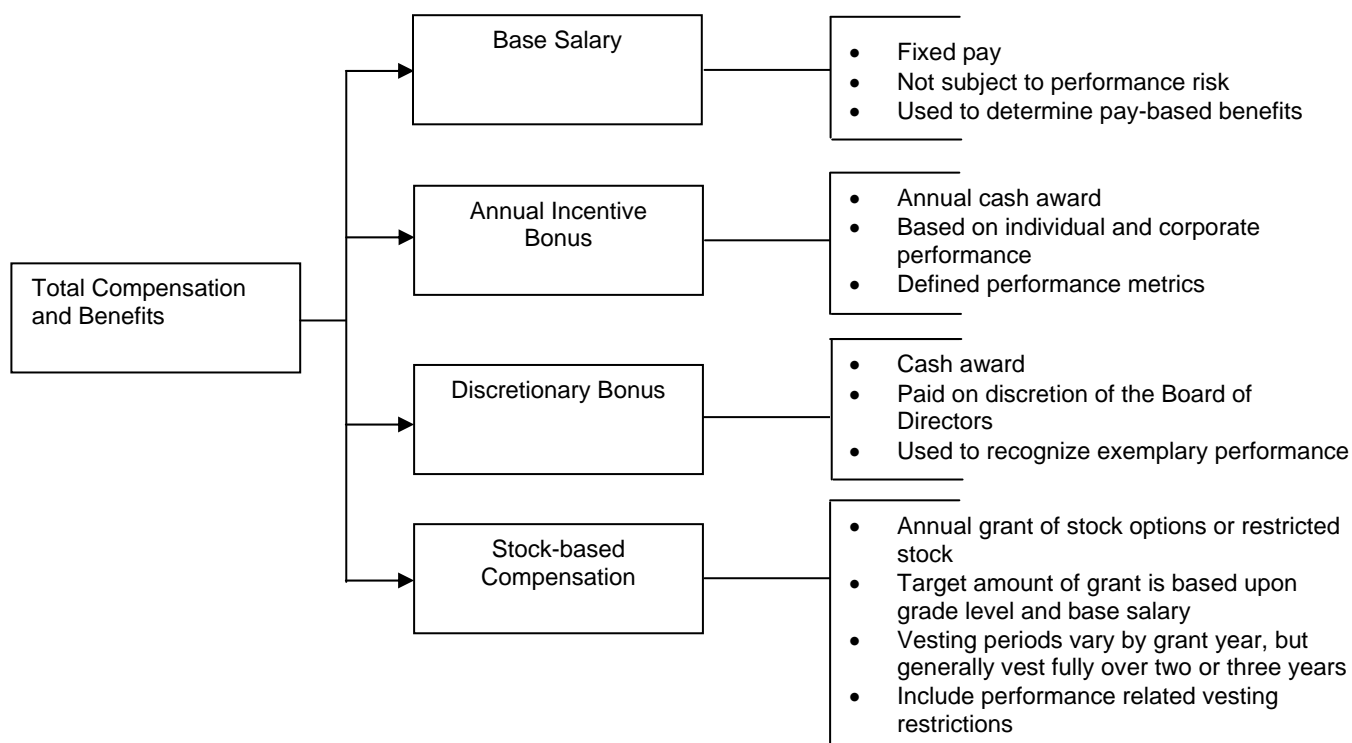
The HCM Committee is supported by the executive officers and employees of the Company, who provide the HCM Committee with data and analyses to support decision making. In establishing policies covering base salaries, benefits, annual bonuses and long term incentive plans, the HCM Committee takes into consideration the recommendations of management. In 2008 and 2009, Hewitt New Bridge Street ("**Hewitt**") was engaged by management to provide specific support on executive and senior management compensation, including surveys of market practices and a technical analysis of this information relative to the Company's compensation plans and practices. In addition, Company management uses, and provides to the HCM Committee, mining industry and general industry benchmark data and in response to specific questions posed by the HCM Committee, management from time to time is asked to consider publicly available compensation data from other peer companies to provide additional information for decisions about compensation.

When making compensation recommendations for Named Executive Officers, the HCM Committee considers factors beyond market data. Based on input from management, the HCM Committee also considers the individual's performance, tenure and experience, the performance of the Company overall, any retention concerns, the individual's historical compensation and the compensation of the individual's peers in the industry. There is no mandatory framework that determines which of these additional factors may be more or less important, and the emphasis placed on any of these additional factors may vary among the executive officers. While the HCM Committee does have certain guidelines, goals, and tools that it uses to make its decisions, as explained below, the compensation process is not driven by a formula and does incorporate the judgment of the HCM Committee. In making recommendations for executives other than the President & Executive Chairman, the input and perspective of the President & Executive Chairman has a significant influence on the HCM Committee's decisions.

The HCM Committee meets both with and without the presence of the President & Executive Chairman, Executive Vice President and Chief Financial Officer ("**CFO**"). A session without management present is generally held at the end of each meeting at the discretion of the HCM Committee. The Chairman sets the agenda for each meeting in consultation with management representatives and other committee members. Management is responsible for keeping the minutes of HCM Committee meetings and the Chairman provides regular reports to the Board of Directors regarding actions and discussion at HCM Committee meetings. The Board of Directors makes all decisions regarding the President & Executive Chairman's compensation in executive session.

Compensation Components

The executive compensation program for 2009 contained four basic elements, and a package of benefit plans, as depicted below:



In the first quarter of 2010, the HCM Committee continued to work with management to develop a more sophisticated compensation strategy, embodying the elements which each of the compensation components above are specifically designed to accomplish; namely the following three goals: 1) attraction and retention of key talent; 2) aligning the interests of our executive officers with the interests of the Company's shareholders; and, 3) leveraging individual performance by linking executive compensation to individual performance and overall business performance.

Attraction and Retention of Key Talent

The compensation package depicted in the chart above meets the goal of attracting and retaining key talent in a highly competitive mining environment through the following elements:

- a competitive cash compensation program, consisting of base salary and bonus opportunity, which is comparable to similar opportunities offered in the marketplace for executive talent;
- a package of competitive benefits; and
- two and three-year vesting on stock option grants and vesting of RSU awards in the second and third years from the beginning of the performance period.

Aligning the Interests of our Executive Officers with the Interests of the Company's Shareholders

The above compensation components meet the goal of aligning the interests of the Company's shareholders through the following elements:

- enhanced emphasis on Company performance and share price;
- stock options and restricted stock unit grants will motivate performance to drive favourable share price; and

- the development of management's goals and objectives with the involvement of the Board of Directors and the use of these objectives to determine annual incentive bonus awards requires management and the Board of Directors to align these goals and objectives with the interests of our shareholders.

Leveraging Individual Performance by Linking Executive Compensation to Individual Performance and Overall Business Performance

By linking management's goals and objectives to the payment of annual incentive awards, the above compensation components should motivate the executives to meet both their individual goals and objectives but also those of the Company in general.

Methodology for Determining Compensation Levels

Determination of Target Total Compensation

Target Pay Levels Relative to Market. The Company is currently a production stage enterprise positioning itself to develop three new mines in the next several years. Accordingly, although we are currently a small mining company, we need to attract and retain qualified executives capable of responding to a broad range of issues that would be handled by specific functional groups in larger organizations. As a result, the HCM Committee is seeking to develop a total compensation program (including base salary, target annual incentive and the grant value of equity incentives) at a level which upon completion will be competitive with comparable market practices.

Competitive Benchmarking Analysis. In order to assess competitive pay levels for the President & Executive Chairman and CFO as well as for other senior executives of the Company, there was a review of benchmark data of similar-sized Canadian companies and international FTSE 250/ FTSE Small Cap companies taken from the Chemicals, General Industrials, Industrial Engineering, Industrial Metals and Mining, Mining and Oil & Gas Producers sectors and international companies with comparable market capitalization that have at least some revenue derived from overseas, in order to ensure that the "international complexity" that applies to the role of the Company's executives was factored in.

The individual components of total compensation are discussed below.

Base Salary

Base salary is the initial measure of competitiveness relative to peers. Base salaries are fixed and not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. Base salary is determined through analysis of salaries paid by companies in the comparator groups, as well as individual performance as determined by the degree of achievement of business and operating goals. Base salaries are normally reviewed at the beginning of each year. The President & Executive Chairman recommends base salary adjustments to the HCM Committee for the Named Executive Officer other than himself. The HCM Committee determines the base salary adjustment for the President & Executive Chairman by taking into consideration advice it has received from its compensation advisor, which is then recommended for Board of Directors approval. Following the deferral of a base salary increase in 2009 due to market conditions, the base salaries of the Named Executive Officers were increased in 2010. Messrs Konig, Rachovides, Morgan-Wynne, and Stanca received 4.7%, 13.9%, 25.8% (also in connection with a promotion to the position of Executive Vice President), and 7.5%, respectively.

Annual Incentive Bonus

Annual incentive bonuses are a variable component of the compensation mix designed to reward individual and corporate performance. In 2009, considering the bonus practices of comparable United Kingdom and Canadian mining companies, the Company used a mix of financial, strategic and personal measures in determining performance measurement. While the majority of weighting tends to be on financial measures, it may be appropriate for strategic targets to have greater importance for the Company given the current stage in the Company's growth profile. Achievement of strategic measures, however, should directly drive the Company's share price. As the HCM Committee assessed Named Executive Officer performance at year-end and determined the appropriate compensation for the senior executive group, it took into consideration the objectives of executive compensation related to the annual incentive bonus. In regards to recognizing the accomplishment of specific performance objectives, the

HCM Committee and the Board of Directors had extensive discussions with respect to the question of whether paying the annual incentive bonus to the Named Executive Officers was appropriate in light of the perceived requirement to conserve cash as a result of the global economic slowdown, the state of the financial markets and the liquidity crisis. Accordingly, based on management's recommendation, the committee approved cash bonuses averaging approximately 50% of base salary, and deferred bonuses in the form of RSUs were approved equal to approximately 50% of base salary.

Stock-based Compensation

Long Term Incentive Plan

Over the course of 2009, the HCM Committee worked with the President & Executive Chairman and other senior executives of the Company to develop a formal long term incentive plan for senior management. The long term incentive plan ("**LTI Plan**") was adopted by the Board on 18 February 2010 and was designed so that a significant proportion of compensation is reliant on and linked to the Company's success to ensure that compensation and interests of executives and senior management are closely aligned with shareholder's interests. Accordingly, performance criteria is attached to all elements of the LTI Plan and is split between share price appreciation which is directly applicable in the option element of the LTI Plan package and corporate performance value drivers which are applied to the RSUs ("**Performance RSUs**"). Annual award proposals under the LTI Plan and suggested performance criteria are submitted by management to the HCM in the first quarter of each year for recommendation to the Board. Each annual award will, subject to management's recommendations, be equally split between Options and Performance RSUs.

Pension Plan

Other than as provided below, the Company does not provide direct pension benefits to any of its employees. Instead, the Company prefers to be more performance driven and, therefore, more aggressive on long-term incentive compensation. The Company believes that share options and RSUs provide a proper balance and a better alignment with the interests of the Company's shareholders than pension benefits.

Benefits

The Company does not have a group benefits plan, however, at the direction of its employees, the Company makes contributions of up to 4% of the base salary of each employee into a private medical insurance plan, permanent health insurance scheme and life insurance scheme. For more information on the benefits provided to Named Executive Officers, see "Service Agreements – Benefits".

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**"):

- (a) the Company's President & Executive Chairman;
- (b) the Company 's CFO;
- (c) each of the Company 's three most highly compensated executive officers, other than the President & Executive Chairman and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 per year, and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Company at the end of the most recently completed fiscal year.

During the financial year ended 31 December 2009, the Company had five Named Executive Officers, being Martyn Konig, President and Executive Chairman, Mark Rachovides, Executive Vice President, Timothy Morgan-Wynne, Executive Vice President and CFO, Petros Stratoudakis, General Manager of Hellas Gold, and Nicolae Stanca, Managing Director of Deva Gold S.A.. Hellas Gold and Deva Gold are subsidiaries of the Company. In addition, David Reading acted as Chief Executive Officer of the Company

until 7 October 2009. For more information on the Company's structure, please refer to the section entitled "Corporate Structure" in the Company's AIF for the financial year ended 31 December 2009.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the financial year ended 31 December 2009.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽⁶⁾	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Martyn Konig, President & Executive Chairman	2009	134,636	4,619,949	3,291,700	-	-	-	8,046,285 ⁽³⁾
Timothy Morgan-Wynne, CFO and Director	2009	546,191	568,229	-	-	-	51,183	1,165,603 ⁽³⁾
Mark Rachovides, ⁽⁴⁾ Executive Vice President and Director	2009	603,351	502,339	-	-	-	47,616	1,153,305 ⁽³⁾
Petros Stratoudakis, General Manager of Hellas Gold S.A.	2009	232,366	341,588	-	-	-	-	573,953
Nicolae Stanca, Managing Director of Deva Gold S.A.	2009	309,333	240,862	-	-	-	-	550,195
David Reading, ⁽⁵⁾ Chief Executive Officer and Director	2009	409,932	574,842	-	-	-	1,250,161, ⁽⁷⁾	2,235,734 ⁽³⁾

Note:

- (1) Amounts shown represent RSUs valued based on the market price of the common shares of the Company on the Toronto Stock Exchange (the "Stock Exchange") at market close on the trading day on the date of grant.
- (2) The fair value of the stock option awards was determined using the Black-Scholes Option Pricing Model, based on the assumptions set forth in Note 16 of the annual consolidated financial statements.
- (3) No compensation was paid in respect of Messrs. Konig's, Morgan-Wynne's, Rachovides' or Reading's role as directors of the Company.
- (4) Mr. Konig became an executive officer of the Company on 7 October 2009. For information on Mr. Konig's compensation as a non-executive director of the Company, see "Director Compensation Table".
- (5) Mr. Reading resigned as Chief Executive Officer of the Company on 7 October 2009.
- (6) All other compensation consists of Company benefits such as pension contributions, medical benefits and other insurances
- (7) Other compensation paid to Mr. Reading include amounts paid in relation to severance payments

See "Executive Compensation – Compensation Discussion and Analysis" for the components of compensation.

Outstanding Share-based Awards and Option-based Awards

The following table is a summary of all awards to the Named Executive Officers outstanding as at the financial year ended 31 December 2009.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾
Martyn Konig, President & Executive Chairman	1,300,000	6.00	06 October 2014	104,000	620,969	3,741,588
Timothy Morgan-Wynne, Executive Vice President, CFO and Director	600,000	3.85	31 May 2011	1,338,000	101,933	363,188
Mark Rachovides, Executive Vice President and Director	250,000	5.66	28 March 2012	105,000	65,297	275,842
	360,000	3.54	17 August 2013	914,400		
Petros Stratoudakis, General Manager of Hellas Gold S.A.	-	-	-	-	58,855	242,925
Nicolae Stanca, Managing Director of Deva Gold S.A.	-	-	-	-	43,295	158,380
David Reading, ⁽³⁾ Chief Executive Officer and Director	-	-	-	-	-	-

Note:

- (1) Amounts shown are based on the market price of the common shares of the Company on the Stock Exchange at market close on 31 December 2009, less the exercise price of in-the-money options. The options have not been and may never be exercised and actual gain, if any, on exercise will depend on the value of the common share on the date of exercise.
- (2) Amounts shown are based on one RSU having the value of one common share of the Company at the market price of the common shares of the Company on the Stock Exchange at market close on December 31, 2009. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations.
- (3) Mr. Reading resigned on 7 October 2010

Incentive Plan Awards – Value Vested or Earned During the Year

The following table is a summary of vested or earned incentive plan awards for the Named Executive Officers as at the financial year ended 31 December 2009.

Name	Option-based Awards – Value vested during the year (\$) ⁽¹⁾	Share-based Awards – Value vested during the year (\$) ⁽²⁾	Non-equity Incentive Plan Compensation – Value earned during the year (\$)
Martyn Konig, President & Executive Chairman	120,000	878,360	-
Timothy Morgan-Wynne, Executive Vice President, CFO and Director	-	433,791	-
Mark Rachovides, Executive Vice President and Director	-	531,497	-
Petros Stratoudakis, General Manager of Hellas Gold S.A.	-	98,662	-
Nicolae Stanca, Managing Director of Deva Gold S.A.	-	82,482	-
David Reading Chief Executive Officer and Director	-	286,103	-

Note:

- (1) Amounts shown are based on the difference between the market price of the common shares of the Company on the Stock Exchange at market close on the date of vesting of the options and the exercise price of in-the-money options. The options have not been and may never be exercised and actual gain, if any, on exercise will depend on the value of the common share on the date of exercise.
- (2) Amounts shown represent RSUs valued based on the market price of the common shares of the Company on the Stock Exchange at market close on the trading day on the date of vesting. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations.

Share Option Plan

Eligibility

The Company provides a share option plan (the “**Share Option Plan**”) authorizing directors to grant, from time to time, options to acquire common shares of the Company to SOP Eligible Persons. “**SOP Eligible Persons**” means, at the effective date of grant (i) any employee, executive officer, director or consultant of the Company or of any of its related entities (as defined in *National Instrument 45-106 – Prospectus and Registration Exemptions (“NI 45-106”)* or a permitted assign (as defined in NI 45-106) of any of the foregoing.

Shares Subject to Share Option Plan

As approved at the annual meeting of the shareholders of the Company held on 9 June 2005 and as amended at the annual meeting of shareholders on 19 May 2008, the maximum number of common shares of the Company which may be reserved for issuance for all purposes under the Share Option Plan (and under the Company’s previously established and outstanding stock option plan or grants) shall not exceed 15% of the common shares issued and outstanding from time to time, unless the Share Option Plan is amended pursuant to and in accordance with the rules and policies (the “**Stock Exchange Policies**”) of the Toronto Stock Exchange (the “**Stock Exchange**”). The number of common shares of the Company in respect of which options may be granted pursuant to the Share Option Plan may be increased, decreased or fixed by the Board of Directors, as permitted by applicable Stock Exchange Policies and, if required thereby, upon approval of the same by the shareholders.

In addition, unless permitted by the Stock Exchange and, if required thereby or by applicable Stock Exchange Policies, approval by the shareholders is obtained, the maximum number of common shares which may be reserved for issuance under the Share Option Plan (and under the Company’s previously established and outstanding stock option plan or grants), within a one-year period, may not exceed 15% of the common shares of the Company outstanding from time to time.

Limitation of options to any one person

Unless permitted by the Stock Exchange, and, if required thereby or by applicable Stock Exchange Policies, approval by the shareholders is obtained, the maximum number of common shares of the Company which may be reserved for issuance to any SOP Eligible Person pursuant to options issued under the Share Option Plan may not exceed 5% of the common shares of the Company outstanding at the effective date of grant.

Options to insiders

Unless permitted by the Stock Exchange and, if required thereby or by applicable Stock Exchange Policies, approval by the shareholders is obtained:

- (a) the aggregate number of common shares of the Company which may be reserved for issuance at any time under share options granted to insiders under the Share Option Plan and under the Company’s previously established and outstanding share option plan or grants may not exceed 10% of the issued common shares of the Company; and
- (b) the number of common shares of the Company which may be issued and the number of options that may be granted to insiders under the Share Option Plan and under the Company’s previously established and outstanding stock option plan or grants, within a 12-month period, may not exceed 10% of the issued shares.

Exercise Price

The Board of Directors shall establish the amount payable per common share of the Company on the exercise of an option (the “**Exercise Price**”) at the time such option is granted, which shall in all cases not be less than the lowest price permitted under applicable Stock Exchange Policies. The lowest price currently permitted under applicable Stock Exchange Policies is the market price of the common shares at the time the option is granted.

Term of Option

Each option will expire on the date determined by the Board of Directors and specified in the option agreement pursuant to which such option is granted, provided that such date may not be later than the earlier of (i) the date which is the tenth anniversary of the date on which such option is granted and (ii) the latest date permitted under applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange.

Notwithstanding the foregoing, if an option expires:

- (a) within a period during which the Company has imposed restrictions on trades in its securities by its executive officers, directors and employees (the “**Blackout Period**”), the option shall be extended to a date which is 10 business days after expiry of the Blackout Period; or
- (b) if an option expires immediately following a Blackout Period, the option shall be extended to a date which is 10 business days less the number of business days between the date of expiry of the option and the date on which the Blackout Period ends.

Vesting

Subject to applicable Stock Exchange Policies, the Board of Directors may determine when any option will become exercisable and may determine that the option shall be exercisable in instalments. Without restricting the authority of the Board of Directors in respect of the terms of the options, subject to applicable Stock Exchange Policies, the Board of Directors may, at its discretion, in respect of any such option, provide that the right to exercise such option will vest in instalments over the life of the option, with the option being fully-exercisable only when such required time period or periods have elapsed. Subject to the foregoing, each SOP Eligible Person to whom or which options have been granted (a “**SOP Participant**”), upon becoming entitled to exercise the option in respect of any common shares of the Company in accordance with the option agreement, shall be entitled to exercise the option to purchase such common shares at any time prior to the expiration or other termination of the option.

Termination for reason other than death or cause

Except as otherwise determined by the Board of Directors, if a SOP Participant ceases to be a SOP Eligible Person for any reason whatsoever other than death or the termination of a SOP Participant for cause, each option held by the SOP Participant will cease to be exercisable on the earlier of 12 months after the date on which a SOP Participant ceases to be a SOP Eligible Person (the “**Termination Date**”) or the original expiry date of the option agreement. If any portion of an option is not vested by the Termination Date, that portion of the option may not under any circumstances be exercised by the SOP Participant.

Termination for cause

If a SOP Participant ceases to be a SOP Eligible Person for cause, such SOP Participant’s options whether vested or not vested at the Termination Date will immediately terminate with respect to exercise of the same. If the SOP Participant has an employment or consulting agreement with the Company, the term “cause” shall have the meaning given to it in the employment or consulting agreement.

Termination upon death

Except as otherwise determined by the Board of Directors, if a SOP Participant dies prior to ceasing to be a SOP Eligible Person, the personal representative, heirs or administrators of the SOP Participant may exercise the SOP Participant’s options until the earlier of 12 months after the date of the SOP

Participant's death or the original expiry date of the option but only to the extent the options were by their terms exercisable on the date of death.

Extension of Exercise Period

Notwithstanding the above provisions, the Board of Directors may, subject to approval of the Stock Exchange at any time prior to the expiry of an option, extend the period of time within which an option may be exercised by a SOP Participant who has ceased to be a SOP Eligible Person, but such extension will not be granted beyond the original expiry date of the option.

Status of terminated options

Any common shares of the Company subject to an option which for any reason is cancelled or terminated without having been exercised, shall be returned to the Share Option Plan and will be eligible for re-issue.

Options non-transferable

Options shall not be transferable or assignable by the SOP Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a SOP Participant only by the SOP Participant and after death only by the SOP Participant's personal representative, heirs or administrators and only in accordance with the terms of the Share Option Plan.

Further Adjustments

Subject to the provisions of the Share Option Plan and applicable Stock Exchange Policies, if, because of a proposed merger, amalgamation or other corporate arrangement or reorganisation, the exchange or replacement of common shares of the Company for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Share Option Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the SOP Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights.

Third party offer

If an offer to purchase all of the outstanding common shares of the Company is made by a third party, the Board of Directors may, to the extent permitted by applicable Stock Exchange Policies and upon giving each SOP Participant written notice to that effect, require the acceleration of the time for the exercise of option rights granted under the Share Option Plan, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights.

Change in Control

In the event of a Change in Control, the Board of Directors may accelerate the time for the fulfillment of any conditions or restrictions for the exercise of option rights granted under the Share Option Plan. "**Change in Control**" means and will be deemed to have occurred if any individual, corporation, partnership, trust or association is or becomes the beneficial owner, directly or indirectly, of voting securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding voting securities.

Amendment and termination of Share Option Plan

The Board of Directors reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Share Option Plan with respect to all options which have not yet been granted under the Share Option Plan. Any amendment to any provision of the Share Option Plan will be subject to any necessary approval of the Stock Exchange and, if required by applicable Stock Exchange Policies, approval by the shareholders. Under Stock Exchange Policies, shareholder approval is required for any of the following amendments: (i) an increase to plan maximum or number of securities reserved for issuance under the Share Option Plan; (ii) amendment provisions granting additional powers to the board of directors to amend the Share Option Plan or entitlements without shareholder approval; (iii) a reduction in the exercise price of options or other entitlements held by insiders; (iv) an extension to the term of options held by insiders; or (v) changes to the insider participation limits which result in the shareholder approval to be required on a disinterested basis. If the Share Option Plan is terminated, the provisions of

the Share Option Plan and any administrative guidelines, and other rules and regulations adopted by the Board of Directors and in force at the time of the Share Option Plan shall continue in effect during such time as an option or any rights pursuant thereto remain outstanding.

Amendment of outstanding options

Subject to (i) the requirements and the approval of the Stock Exchange; and (ii) if required, approval by the shareholders, the Board of Directors may amend or modify in any manner an outstanding option to the extent that the Board of Directors would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an option becomes exercisable, except that no amendment will, without the written consent of all affected optionees, alter or impair any option previously granted under the Share Option Plan unless as a result of a change of applicable Stock Exchange Policies or the Company's status or classification thereon. The Exercise Price of any option granted to an insider of the Company may not be reduced unless the Company obtains first the approval by the disinterested shareholders.

Outstanding options

As at the date hereof, options to purchase 5,006,665 common shares are outstanding (of which 1,976,668 are fully vested), representing 2.74% of the Company's issued and outstanding common shares. Outstanding options have a weighted average exercise price of C\$5.04 per share.

Restricted Share Unit Plan

Eligibility

The Company provides a restricted share unit plan (the "**Restricted Share Unit Plan**") authorizing directors to issue, from time to time, Restricted Share Units ("**RSUs**") to acquire common shares of the Company to RSU Eligible Persons. RSUs are "phantom" shares that rise and fall in value based on the value of the Company's common shares and are redeemed for actual common shares on the vesting dates determined by the Board of Directors when the RSUs are granted. "**RSU Eligible Persons**" means, at the grant date, directors, officers, employees or consultants of the Company, any associated company to the Company, any subsidiary of the Company or any investee of the Company.

Shares Subject to Restricted Share Unit Plan

As approved at the annual meeting of the shareholders of the Company held on 9 June 2005 and as amended at the annual meeting of shareholders on 19 May 2008, the maximum number of common shares of the Company which may be reserved for issuance for all purposes under the Restricted Share Unit Plan shall not exceed 2.5% of the common shares issued and outstanding from time to time, subject to certain adjustment under the Restricted Share Unit Plan if there are changes in the capital of the Company as a result of a merger, amalgamation or other corporate arrangement or reorganisation.

Limitation of RSUs to any one person

Unless permitted by regulatory approval, and, if required thereby or by applicable Stock Exchange Policies, approval by the shareholders is obtained, the maximum number of common shares of the Company which may be reserved for issuance to any RSU Eligible Person pursuant to the Restricted Share Unit plan or any other security-based compensation arrangement may not exceed 5% of the common shares of the Company outstanding at the grant date.

Vesting

Subject to applicable Stock Exchange Policies, the Board of Directors may determine when any RSU will vest or any other vesting requirements as set forth in a RSU agreement between the RSU Eligible Person who has been granted RSUs (an "**RSU Participant**") and the Company.

Termination of employment

Unless otherwise determined by the Board of Directors, upon the voluntary resignation or the termination for cause of an RSU Participant, all of such RSU Participant's unvested RSUs are forfeited. If the RSU

Participant has an employment or consulting agreement with the Company, the term “cause” have the meaning given to it in that agreement.

Upon the termination of an RSU Participant without cause, the disability, the retirement or death of an RSU Participant, a certain portion of the RSUs granted to such RSU Participant vest in a prescribed formula as set out in the Restricted Share Unit Plan, which may be modified by an RSU agreement between the RSU Participant and the Company.

RSUs non-transferable

Unless the Board of Directors determines otherwise, an RSU Participant may transfer RSUs to (i) his or her spouse, minor child or minor grandchild; (ii) his or her registered retirement savings plan; (iii) a family trust; (iv) a wholly-owned corporation; or (v) a corporation controlled by the RSU Participant and its family members, subject to applicable policies of the Stock Exchanges.

Further Adjustments

Subject to the provisions of the Restricted Share Unit Plan and applicable Stock Exchange Policies, if, because of a proposed merger, amalgamation or other corporate arrangement or reorganisation, the exchange or replacement of common shares of the Company for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unvested RSUs granted under the Restricted Share Unit Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such RSUs and the time for the fulfillment of any conditions or restrictions on vesting.

Third party offer

If an offer to purchase all of the outstanding common shares of the Company is made by a third party, the Board of Directors may, to the extent permitted by applicable Stock Exchange Policies and upon giving each RSU Participant written notice to that effect, require the acceleration of the time for the vesting of RSUs granted under the Restricted Share Unit Plan.

Change in Control

In the event of a Change in Control, all of the RSUs at that time shall automatically and irrevocably vest in full under the Restricted Share Unit Plan.

Amendment and termination of Restricted Share Unit Plan

The Board of Directors reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Restricted Share Unit Plan with respect to all RSUs which have not yet been granted under the Restricted Share Unit Plan. Any amendment to any provision of the Restricted Share Unit Plan will be subject to any necessary regulatory approvals and, if required by applicable law, approval by the shareholders. Under Stock Exchange Policies, shareholder approval is required for any of the following amendments: (i) an increase to plan maximum or number of securities reserved for issuance under the Restricted Share Unit Plan; (ii) amendment provisions granting additional powers to the board of directors to amend the Restricted Share Unit Plan or entitlements without shareholder approval; (iii) an extension to the term of RSUs held by insiders; or (v) changes to the insider participation limits which result in the shareholder approval to be required on a disinterested basis. If the Restricted Share Unit Plan is terminated, the provisions of the Restricted Share Unit Plan and any administrative guidelines, and other rules and regulations adopted by the Board of Directors and in force at the time of the Restricted Share Unit Plan shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.

Amendment of outstanding RSUs

Subject to regulatory approval and, if required, approval by the shareholders, the Board of Directors may amend or modify in any manner an outstanding RSU to the extent that the Board of Directors would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an RSU vest, except that no amendment will, without the written consent of all affected RSU Participants, alter or impair any RSU previously granted under the Restricted Share Unit Plan unless as a result of a change of applicable Stock Exchange Policies or the Company's status or classification thereon.

Outstanding RSUs

As at the date hereof, 5,049,260 RSUs have vested and 820,102 RSUs are outstanding, representing 0.45% of the Company's issued and outstanding common shares.

Pension Arrangements

The Company's subsidiary, European Goldfields (Services) Limited, maintains a defined contribution pension plan for its employees. The defined contribution pension plan provides pension benefits based on accumulated employee and Company contributions. Company contributions to these plans are a set percentage of employees' annual income and may be subject to certain vesting requirements. The cost of defined contribution benefits is expensed as earned by employees.

Service Agreements

The Company has entered into service agreements with each of the Named Executive Officers whereby they agreed to provide their full-time services to the Company and its subsidiaries. The principal terms of the service agreements with the Named Executive Officers as at 31 December 2009 are set out below.

Termination and Change of Control

Each of the service agreements with Messrs. Konig, Rachovides and Morgan-Wynne is terminable by either party on not less than one year's prior written notice. In the event of a change of control or a sale of the majority of the Company's assets and in the event that notice to terminate the service agreement is given within one year, each of Messrs. Konig, Rachovides and Morgan-Wynne is entitled to a termination payment equal to 24 months salary and benefits, together with unpaid salary and holiday pay.

Non-Compete

For a period of six months after the date of termination of his employment, less any time spent on garden leave, each of the Named Executive Officers is prohibited from:

- (i) being engaged, concerned or interested in any business which at any time within the 12 months prior to termination has carried out the activities of mining of precious metals and/or exploration thereof or has investigated new business opportunities in the same countries where the Company and its subsidiaries (the "**Group**") have carried out such activities within such 12-month period;
- (ii) soliciting or endeavouring to solicit or induce any key officer or manager or executive of the Group from leaving the employment of the Group; and
- (iii) employing or engaging any key officer or manager or executive of the Group in connection with any business in or proposing to be in competition with the Group.

Benefits

Each of the Named Executive Officers is entitled to private medical expenses insurance providing coverage for the relevant executive officer, his spouse and dependent children and is entitled to participate in any permanent health or life insurance scheme operated by the Company.

As at 31 December 2009, each of Martyn Konig, Mark Rachovides, Timothy Morgan-Wynne, Petros Stratoudakis and Nicolae Stanca was entitled to receive an annual salary of £300,000 (C\$508,087),

£237,500 (C\$402,236), £215,000 (C\$364,129), €157,262 (C\$236,538) and US\$279,226 (C\$291,534), respectively, together with:

- (i) a discretionary annual bonus, subject to the approval of the Board of Directors; and
- (ii) 30 days holiday per annum, in addition to statutory holidays.

Director Compensation Table

The following table is a summary of compensation paid to the non-executive directors (the “NEDs”) for the financial year ended 31 December 2009.

Name and principal position ⁽¹⁾	Year	Fees earned (\$)	Share-based awards (\$) ⁽⁶⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
Dimitrios Koutras Director Resident of Athens, Greece	2009	Nil	Nil	-	-	-	Nil
Georgios Sossidis Director Resident of Athens, Greece	2009	42,340	Nil	-	-	-	42,340
Martyn Konig ⁽²⁾ Director Resident of Shamley Green, England	2009	32,557	33,752	-	-	-	66,309
Cameron Mingay ⁽³⁾ Director Resident of Toronto, Canada	2009	42,340	44,720	-	-	-	87,061
Dr. Jeffrey O’Leary Director Resident of Isleworth, England	2009	42,340	44,720	-	-	-	87,061
Bruce Burrows ⁽⁴⁾ Director Resident of Richmond, England	2009	9,623	342,619	-	-	-	352,241
Alfred Vinton ⁽⁵⁾ Director Resident of London, England	2009	Nil	Nil	-	-	-	Nil

Note:

- (1) No compensation was paid in respect of Messrs. Morgan-Wynne’s or Rachovides’ role as directors of the Company.
- (2) Mr. Konig became an executive officer of the Company on 7 October 2009. For information on Mr. Konig’s compensation as an executive officer of the Company, see “Summary Compensation Table”.
- (3) Mr. Mingay resigned as director on 29 January 2010.
- (4) Mr. Burrows became a director of the Company on 7 October 2009.
- (5) Mr. Vinton became a director of the Company on 18 February 2010.
- (6) Amounts shown represent the Deferred Phantom Unit Plan (as defined below) value of DPUs (as defined below) based on the market price of the common shares of the Company on the Stock Exchange at market close on the trading day on the date of grant, as described under “Director Compensation Discussion”, below.

Director Compensation Discussion

Independent NEDs receive a flat fee of £50,000 (\$84,680, at 31 December 2009) annually payable 50% in cash and 50% in DPUs. In addition, the Chairs of each of the Audit, Health, Safety and Environmental and Human Capital Management Committees respectively receive £5,000. At such time as an independent NED has met the mandatory shareholding policy for directors, described below under “Mandatory Shareholding Policy for Directors”, an independent NED may elect to receive all of his compensation in cash and at any time an independent NED may elect to receive all of his compensation

in DPUs. As from March 2010, Mr. Sossidis and Mr. Koutras each receive a £50,000 flat fee yearly, payable in cash, for their contributions as non-executive directors. They are not, however, eligible to participate in the DPU Plan.

In adopting the current NED compensation program, note was taken of the relevant rule in the Combined Code on Corporate Governance which states that remuneration for independent NEDs should not include options. Consequently, NEDs do not receive options or restricted shares. Additional factors which are taken into account in determining the compensation of NEDs are as follows: (i) the quantum of cash annual fees and the fact that additional fees are not paid for attending board meetings or serving on committees; (ii) the time commitment required to develop compensation practices commensurate with a company of the size of the Company; and (iii) the volume of committee work with only three independent NEDs.

During the financial year ended 31 December 2009, the Company had no pension plan or other arrangement for cash or non-cash compensation for the NEDs, except pursuant to the Company's Share Option Plan, Restricted Share Unit Plan and Deferred Phantom Unit Plan (all as described above).

Outstanding Share-based Awards and Option-based Awards

The following table is a summary of all awards to the NEDs outstanding as at the financial year ended 31 December 2009.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽³⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽⁴⁾
Bruce Burrows Director Resident of Richmond, England	-	-	-	-	56,532	343,714
Cameron Mingay ⁽¹⁾ Director Resident of Toronto, Canada	-	-	-	-	11,939	72,588
Dr. Jeffrey O'Leary Director Resident of Isleworth, England	-	-	-	-	11,939	72,588
Georgios Sossidis Director Resident of Athens, Greece	250,000	5.87	15 August 2012	52,500	-	-
Alfred Vinton ⁽²⁾ Director Resident of London, England	-	-	-	-	-	-

Note:

- (1) Mr. Mingay resigned as a director on 29 January 2010.
- (2) Mr. Vinton was appointed as a director on 18 February 2010.
- (3) Amounts shown are based on the market price of the common shares of the Company on the Stock Exchange at market close on 31 December 2009, less the exercise price of in-the-money options. The options have not been and may never be exercised and actual gain, if any, on exercise will depend on the value of the common share on the date of exercise.
- (4) Amounts shown are based on the market price of the common shares of the Company on the Stock Exchange at market close on 31 December 2009. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations.

Incentive plan awards – Value vested or earned during the year

The following table is a summary of vested or earned incentive plan awards for the NEDs as at the financial year ended 31 December 2009.

Name	Option-based Awards – Value vested during the year (\$)	Share-based Awards – Value vested during the year (\$) ⁽⁵⁾	Non-equity Incentive Plan Compensation – Value earned during the year (\$)
Bruce Burrows Director Resident of Richmond, England	Nil	Nil	Nil
Martyn Konig(1) Director Resident of Shamley Green, England	Nil	Nil	Nil
Dimitrios Koutras Director Resident of Athens, Greece	Nil	Nil	Nil
Cameron Mingay(2) Director Resident of Toronto, Canada	Nil	Nil	Nil
Dr. Jeffrey O’Leary Director Resident of Isleworth, England	Nil	Nil	Nil
Georgios Sossidis Director Resident of Athens, Greece	Nil	Nil	Nil
Alfred Vinton Director Resident of London, England	Nil	Nil	Nil

Note:

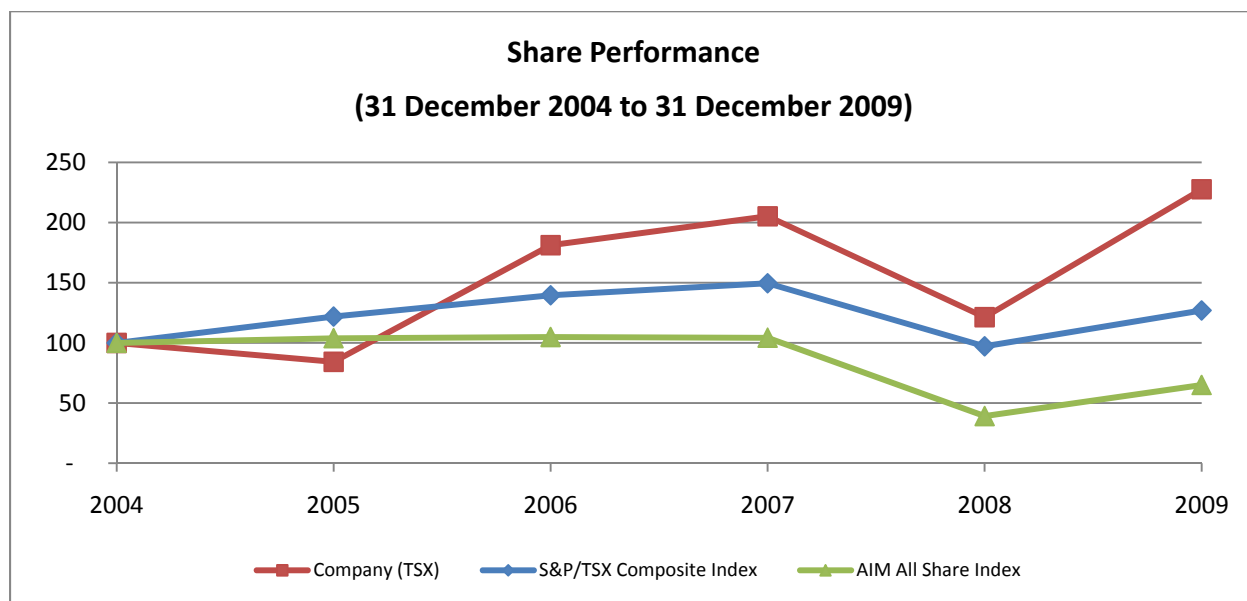
- (1) Mr. Konig was appointed as an executive director 7 October 2009.
- (2) Mr. Mingay resigned as a director on 29 January 2010.
- (3) Amounts shown represent RSUs valued based on the market price of the common shares of the Company on the Stock Exchange at market close on the trading day on the date of vesting. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations.

Mandatory Shareholding Policy for Directors

In December 2008, the Board adopted a mandatory shareholding policy (the “**Policy**”) for independent NEDs. The Policy requires directors to own shares and/or DPUs or equivalent in value to three times their annual retainer including both cash and DPU compensation. Directors have a period of two years from the institution of the policy or the date they join the Board within which to reach the mandatory level.

Performance Graph

The performance graph and table presented below compare the cumulative total shareholder return of a \$100 investment in the Company's common shares, the cumulative total return of the S&P/TSX Composite Index and the cumulative total return of the AIM Composite Index for the period commencing 31 December 2004 and ending 31 December 2009.



	As at 31 December					
	2004	2005	2006	2007	2008	2009
Company (close)	\$2.67	\$2.25	\$4.84	\$5.48	\$3.24	\$6.08
S&P/TSX Composite Index (close)	9,247	11,272	12,908	13,833	8,988	11,746
AIM All Share Index (close)	1,006	1,045	1,055	1,049	394	654
Company	\$100	\$84	\$181	\$205	\$121	\$228
S&P/TSX Composite Index	\$100	\$122	\$140	\$150	\$97	\$127
AIM All Share Index	\$100	\$104	\$105	\$104	\$39	\$65

Trend

The HCM Committee considers the significant rise in the market price of the Company's common shares depicted in the graph above, to reflect both the Company's success in delivering significant progress in the permitting of its Greek projects and improved market conditions versus 2008. The compensation paid to the Named Executive Officers is therefore appropriate given such circumstances and when compared to the compensation paid to officers of similar-sized companies.

Presented by the Human Capital Management Committee:

Bruce Burrows (Chairman)
Dr. Jeffrey O'Leary
Alfred Vinton

SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to compensation plans under which equity securities of the Company are authorised for issuance as at 31 December 2009.

Equity Compensation Plan Information

Plan Category	Number of Common Shares to be Issued upon Exercise / Vesting of Outstanding Options/RSUs (#)	Weighted Average Exercise Price of Outstanding Options (C\$)	Number of Common Shares Remaining Available for Future Issuance under Share Option Plan/Restricted Share Unit Plan (#)
Equity compensation plans approved by securityholders			
Share Option Plan	3,406,665 ⁽¹⁾	5.10	23,794,307 ⁽²⁾
Restricted Share Unit Plan	1,261,335 ⁽³⁾	-	3,272,160 ⁽⁴⁾
Equity compensation plans not approved by securityholders			
	N/A	N/A	N/A
Total	4,668,000 ⁽⁵⁾	N/A	27,066,467

Notes:

- (1) Representing 1.88% of the Company's issued and outstanding common shares as at 31 December 2009.
- (2) Based on 181,339,813 common shares of the Company issued and outstanding as at 31 December 2009. The maximum number of common shares of the Company which may be reserved for issuance for all purposes under the Share Option Plan shall not exceed 15% of the common shares issued and outstanding from time to time.
- (3) Representing 0.70% of the Company's issued and outstanding common shares as at 31 December 2009.
- (4) Based on 181,339,813 common shares of the Company issued and outstanding as at 31 December 2009. The maximum number of common shares of the Company which may be reserved for issuance for all purposes under the Restricted Share Unit Plan shall not exceed 2.5% of the common shares issued and outstanding from time to time.
- (5) Representing 2.57% of the Company's issued and outstanding common shares as at 31 December 2009.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains insurance protection against liability incurred by its directors and officers as well as those of its subsidiaries in the performance of their duties. The payment of the annual premium, amounting to \$53,500 for the period of 9 February 2010 to 9 February 2011, is assumed by the Company. The aggregate limit of liability in respect of any and all claims is \$10,000,000 for the insured period of 9 February 2010 to 9 February 2011. The policy provides for the indemnification of directors and officers in the case of claims for which the Company has not indemnified or is not permitted by law to indemnify them, and for the reimbursement of the Company, subject to a deductible of \$50,000, in the case of claims for which it has indemnified or was permitted to indemnify the director(s) or officer(s) involved.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Management Proxy Circular, the Company is not aware of any informed person, proposed nominee for election as a director, or any associate or affiliate of the foregoing, having any material interest, direct or indirect, in any transaction or proposed transaction since 1 January 2010 which has materially affected or would materially affect the Company or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The Board of Directors presently consists of eight directors and it is intended that eight directors be elected for the ensuing year. 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, unless authority to do so is withheld, the persons named 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 shareholders 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 with the provisions of the *Business Corporations Act* (Yukon).

The following table sets forth the names of the nominees for election as directors and of each director whose term of office will continue after the Meeting, their municipality of residence, their current position and office with the Company, their respective principal occupation during the five preceding years, the date on which they were first elected or appointed as a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the date hereof.

Name, Office and Place of Residence ⁽¹⁾	Position with the Company (if any) and Principal Occupations during the Five Preceding Years ⁽¹⁾	Director Since	No. (%) of Shares
Martyn Konig ⁽⁵⁾ Director Resident of Shamley Green, England	President & Executive Chairman of the Company, October 2009 to date; Chief Executive Officer, Blackfish Capital Management Limited, 2005 to July 2009; Chief Executive Officer, Latitude Resources Limited, 2004-2008.	December 2008	384,457 (0.21%)
Dimitrios Koutras Director Resident of Athens, Greece	Non-executive Chairman of the Company, November 2004 to October 2009; President & General Manager, Aktor S.A. (a construction company), 1995 to date; Member of the Board of Directors of Ellaktor S.A. 1995 to date.	November 2004	10,408,715 (5.7%)
Mark Rachovides Director & Officer Resident of London, England	Executive Vice President and Corporate Secretary of the Company, July 2008 to date; Vice President Europe of Dundee Resources Limited February 2007 to July 2008; Senior Banker at the European Bank for Reconstruction and Development, 1996 – 2007.	March 2007	138,898 (0.08%)
Timothy M. Morgan-Wynne Director & Officer Resident of London, England	Chief Financial Officer of the Company, June 2006 to date; Director of the Resources and Energy Group at HSBC Bank plc and member of HSBC's mining sector corporate finance team, 1997 to 2006.	June 2006	231,689 (0.13%)
Georgios Sossidis ⁽⁵⁾ Director Resident of Athens, Greece	Member of the Board of Directors of Ellaktor S.A., 1991 to date.	July 2007	Nil
Dr. Jeffrey O'Leary ^{(2) (3) (4) (5)} Director Resident of Isleworth, England	Director Metals & Mining of HSBC plc (an investment bank, formerly the Midland Bank), 1985 to 2005 Director (non-executive), Palladex plc (a gold exploration company), 2004 to 2007; Director (non-executive), Goldstar Resources NL (a gold exploration company), 2005 to 2009; Director (non-executive), Moto Goldmines Limited (a gold exploration company), 2005 to 2009; Monterrico Metals plc (a copper mining company), 2006 to 2007; Platinum Mining Corporation of India (a platinum mining company), 2006 to 2008.	December 2005	Nil
Bruce Burrows ^{(2) (3) (4) (5)} Director Resident of Richmond, England	Chief Financial Officer, JXK Oil and Gas, December 1997 to date	October 2009	Nil
Alfred Vinton ^{(2) (3) (4)} Director Resident of London, England	Chairman of EP Private Equity Ltd, 2006 to 2009; Chairman/Chief Executive Officer of Electra Partners Limited, 1995 - 2006	February 2010	Nil

NOTES:

- (1) The information as to country of residence, principal occupation and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The description of the principal occupation or employment for all of the nominees is for the past five years.
- (2) Member of the Audit Committee.
- (3) Member of the Human Capital Management Committee.
- (4) Member of the Corporate Governance & Nominating Committee.
- (5) Member of the Health, Safety and Environmental Committee.

None of the proposed nominees for election as a director of the Company:

- (a) is, as at the date of this Management Proxy Circular, or has been, within ten years before the date of this Management Proxy Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an "Order") for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company being the subject of such Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of that company;
- (b) is, as at the date of this Management Proxy Circular, or has been, within ten years before the date of this Management Proxy 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;
- (c) has, within the ten years before the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (ii) 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,

Appointment and Remuneration of Auditors

Effective December 15, 2009, BDO Dunwoody LLP (the "**Former Auditor**") resigned as auditor of the Company and Ernst & Young LLP (the "**Successor Auditor**") was appointed as the new auditor of the Company. The Former Auditor resigned at the request of the Company. The resignation of the Former Auditor and the appointment of Ernst & Young LLP as the Successor Auditor was considered and approved by the Audit Committee and the Board of Directors of the Company. There were no reservations in the Former Auditor's reports on the Company's consolidated financial statements for the two most recently completed fiscal years nor for any period subsequent thereto for which an audit was issued and preceding December 15, 2009. There were no "Reportable Events", as defined in National Instrument 51-102 (Part 4.11).

A copy of the reporting package (which contains the change of auditor notice, the letter from the Former Auditor and the letter from the Successor Auditor) is attached as Appendix 2 to this Management Information Circular.

Management of the Company will recommend to the shareholders at the Meeting the appointment of Ernst & Young LLP as auditors of the Company and to authorise the directors of the Company to fix their remuneration.

Approval of Unallocated Options under the Share Option Plan and under the Restricted Share Unit Plan

Neither of the Company's Share Option Plan or Restricted Share Unit Plan has a fixed maximum number of securities issuable and as a result, under the rules of the Stock Exchange, all unallocated awards under the Share Option Plan and Restricted Share Unit Plan must be approved every three years by the shareholders of the Company and by a majority of the directors of the Company. The approval to such unallocated awards was last granted in 2008. While approval for the unallocated awards is not required until 2011, as a result of the amendments to each of the Share Option Plan and Restricted Share Unit Plan to be approved by shareholders of the Company (as further described below in "Amendments to Share Option Plan and Restricted Share Unit Plan"), the directors of the Company felt it advisable that the approval of such unallocated awards be obtained at the Meeting.

Share Option Plan Unallocated Options

Based on the recommendations of the Compensation Committee, the directors of the Company have approved all unallocated options under the Share Option Plan.

The shareholders of the Company will be requested at the Meeting to pass an ordinary resolution in the following terms:

"RESOLVED that:

1. all unallocated options, rights and other entitlements under the Company's Share Option Plan be and are hereby approved;
2. the Company have the ability to continue granting options under the Company's Share Option Plan until 12 May 2013, that is until the date that is three years from the date where shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution."

Restricted Share Unit Plan Unallocated RSUs

Based on the recommendations of the Compensation Committee, the directors of the Company have approved all unallocated awards under the Restricted Share Unit Plan.

The shareholders of the Company (with insiders abstaining from the vote as discussed below) will be requested at the Meeting to pass an ordinary resolution in the following terms:

"RESOLVED that:

1. all unallocated awards, rights and other entitlements under the Company's Restricted Share Unit Plan be and are hereby approved;
2. the Company have the ability to continue granting RSUs under the Company's Restricted Share Unit Plan until 12 May 2013, that is until the date that is three years from the date where shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution."

Pursuant to regulatory requirements, the above resolution must be approved by a majority of the votes cast other than shares beneficially owned by insiders to whom RSUs may be granted under the Restricted Share Unit Plan. To the knowledge of the Company, as at the date of this Management Proxy Circular, a total of 11,663,815 shares held by insiders will not be counted for the purpose of determining whether the required level of shareholder approval has been obtained.

Amendments to Share Option Plan and Restricted Share Unit Plan to be Approved by Shareholders

Effective March 2010, the Board of Directors of the Company approved certain amendments (collectively, the “**Amendments**”) to both the Share Option Plan and the Restricted Share Unit Plan (together, the “**Plans**” and each, a “**Plan**”). These amendments and the consequential restatement of the Plans have been conditionally approved by the Toronto Stock Exchange. A high-level summary of some of these Amendments is set out below and a more fulsome summary is set out in **Appendix 3** to this Management Proxy Circular. Each of these summaries is qualified in its entirety by the full text of the Share Option Plan and the Restricted Share Unit Plan, each as amended (the “**Amended Share Option Plan**” and the “**Amended Restricted Share Unit Plan**”, respectively, and, together the “**Amended Plans**”) which, if approved by Shareholders of the Company, will be available on SEDAR (www.sedar.com) or on request of the Corporate Secretary of the Company at Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon Y1A 3T2.

Jointly Owned Equity Amendments to the Plans

The Company has made certain amendments to its Share Option Plan and Restricted Share Unit Plan in order to provide benefits in a more tax-efficient manner to the Company’s employees. The Company believes that making awards of share options and RSUs more tax-efficient, while maintaining the commercial terms of the Plans, will further motivate relevant employees as well as enable the Company to more easily attract high-calibre employees in the future.

The amendments to the Plans maintain the current structure of awarding share options and RSUs to employees but also provide for share options and RSUs to be granted in the form of “jointly owned equity” (“**JOE**”) awards. The amendments to implement the JOE structure in each of the Plans do not alter the commercial or economic terms of the Plans or the benefits to the employees.

The key element which differs under the JOE structure is that the common shares of the Company (the “**Shares**”) underlying the share option and RSU awards are issued into a trust as soon as an award is made, rather than being issued at the point of exercise (in the case of share options) or vesting (in the case of RSUs). The trust owns the Shares jointly with the employees and then transfers its interest in the shares to the employee in a manner that replicates an ordinary share option or RSU. The trust, which is independent of the Company and based in Jersey (the “**Trust**”), is loaned cash by the Company to subscribe for the Shares upfront and this cash is then immediately paid to the Company as subscription proceeds for the Shares. The Company is therefore in the same position in cash flow terms as if the JOE structure were not in place. The Company intends to account for the Trust under the “extension of parent method”, which reflects these commercial terms.

The mechanics of the JOE structure are broadly as described below. Details of the specific amendments to the Plan are set out in Appendix 3.

On the date upon which JOE awards are granted to JOE Participants (who constitute a slightly narrower group of persons than Eligible Persons under the Plans), the Trust will subscribe for newly issued Shares underlying such JOE awards (through the mechanism of the applicable Plan) and the subscription price will be determined in accordance with Stock Exchange Policies. The Trust will be the registered owner of such awarded Shares. The beneficial ownership will be jointly owned by the JOE Participants (but such beneficial ownership will not yet have vested) and the Trust. The Trust and the JOE Participants have waived its voting rights and rights to receive dividends in respect of the Shares subject to JOE awards.

JOE awards are granted pursuant to a JOE ownership agreement between the Trust, the JOE Participant and the Company. Each of these agreements contains details of the subscription price for the Shares issued by the Company to the Trust, the vesting terms of such Shares and the exercise price which will

need to be paid by the JOE Participant after such awards have vested, in order to receive the full ownership of the Shares. In all commercial respects, the JOE awards will deliver the same benefits and be subject to the same terms and conditions as an ordinary Option or RSU. For JOE awards granted under the Share Option Plan, the exercise price will be not less than the option exercise price which would otherwise be applicable. For JOE awards granted under the Restricted Share Unit Plan (“**JOE RSUs**”), the JOE Participant needs to pay a nominal exercise price after the JOE award has vested in order to receive full ownership of the Shares, but in all other respects, the economic and commercial terms of the JOE awards mirror the RSUs. Subject to the terms of the Plans, as amended, should a JOE Participant depart the Company with unvested JOE awards, the full beneficial interest in such awards will be transferred back to the Trust. Subject to applicable law, the Company will have the ability to repurchase back any Shares in which JOE Participants have no interest from the Trust at any time.

As disclosed in a press release dated April 8, 2010, on April 1, 2010, the Company entered into a trust deed with a newly established, independent, Jersey-based trust named European Goldfields Employee Share Trust, with a professional trustee (the “**Trustee**”). Also on April 1, 2010, the Company entered into a loan agreement with the Trustee. Pursuant to the loan agreement, the Company established a loan facility of up to US\$30 million to be drawn down by the Trustee when needed in order to subscribe for Shares underlying the JOE awards. This loan is structured to allow the Trustee to subscribe for up to an aggregate of 3% of the Company’s current issued share capital within the JOE structure, subject to the limitations of the Plans and changes in the price of the Shares. Amounts drawn under this facility will immediately be paid to the Company as subscription proceeds for Shares. The loan is non-interest bearing, matures on April 1, 2023, is repayable on demand and is limited recourse to any cash the Trustee holds at the relevant time and/or Shares in respect of which the Trustee holds both the registered and full beneficial interest.

On April 1, 2010, the Trustee drew down approximately US\$3.3 million. On April 1, 2010, the Trustee paid these funds back to the Company to subscribe for an aggregate of 500,000 Shares at a price per share of C\$6.7093, based on the five-day value weighted average trading price of the Shares on the TSX for the five days ended March 31, 2010. The Shares are expected to be listed on AIM during the week of April 12, 2010 and a listing on the TSX is expected to occur in May 2010. The Shares were issued pursuant to the Restricted Share Unit Plan, as amended by the RSU Amendments described herein, and were issued to the Trustee to be held jointly by the Trustee and the employees listed below as follows:

Mark Rachovides:	150,000 JOE RSUs
Martyn Konig:	200,000 JOE RSUs
Tim Morgan-Wynne	150,000 JOE RSUs

The 500,000 JOE RSUs granted on April 1, 2010 replaced RSUs granted prior to such date (i.e. under the Restricted Share Unit Plan, unamended) to Messrs. Rachovides, Konig, and Morgan-Wynne in the same proportions as previously granted (collectively, the “**Historical RSUs**”).

In the event that the RSU JOE Amendments are not approved by shareholders of the Company at the Meeting, all of the JOE RSUs granted on April 1, 2010 will be cancelled and the Company will have the ability to repurchase 500,000 Shares corresponding to such JOE RSUs from the Trust. None of the Shares under the awards made under the Amended Restricted Share Unit Plan have vested or will vest prior to the Meeting.

In the event that the RSU JOE Amendments are approved by shareholders of the Company, 500,000 RSUs, representing the Historical RSUs, will be cancelled insofar as an equivalent number of such awards will have been awarded, on April 1, 2010 under the Amended Restricted Share Unit Plan.

Each of the Amendments has been approved by the Board of Directors and the Stock Exchange and are subject to the approval of the shareholders of the Company for its continued existence. The shareholders will be asked to consider and, if appropriate, to pass resolutions to confirm the Amendments as adopted by the Board of Directors. Directors and executive officers of the Company

may have an interest in the resolution to approve the Amendments, to the extent that they hold any shares of the Company.

The Board of Directors recommends that the shareholders of the Company vote FOR the resolutions to approve the Amendments.

Resolutions for Amendments to Share Option Plan

The amendments to the Share Option Plan can be divided into amendments to implement a jointly owned equity structure (collectively, the “**SOP JOE Amendments**”, as further described in Appendix 3) and amendments unrelated to the implementation of a jointly owned equity structure (collectively, the “**SOP Non-JOE Amendments**”, as further described in Appendix 3).

The text of the resolution approving the SOP JOE Amendments is as follows:

BE IT RESOLVED THAT:

- (a) the SOP JOE Amendments, a summary of which is attached to this Management Proxy Circular as Appendix 3, be authorized, approved and confirmed; and
- (b) any officer or director of the Company is authorized and directed to execute and delivery, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution.

Unless authority to do so is withheld, the shares represented by the accompanying proxy will be voted FOR the approval of the SOP JOE Amendments.

The text of the resolution approving the SOP Non-JOE Amendments is as follows:

BE IT RESOLVED THAT:

- (a) the SOP NON-Joe Amendments, a summary of which is attached to this Management Proxy Circular as Appendix 3, be authorized, approved and confirmed; and
- (b) any officer or director of the Company is authorized and directed to execute and delivery, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution.

Unless authority to do so is withheld, the shares represented by the accompanying proxy will be voted FOR the approval of the SOP Non-JOE Amendments.

Resolutions for Amendments to Restricted Share Unit Plan

The amendments to the Restricted Share Unit Plan can be divided into amendments to implement a jointly owned equity structure (collectively, the “**RSU JOE Amendments**”, as further described in Appendix 3) and amendments unrelated to the implementation of a jointly owned equity structure (collectively, the “**RSU Non-JOE Amendments**”, as further described in Appendix 3).

The text of the resolution approving the RSU JOE Amendments is as follows:

BE IT RESOLVED THAT:

- (a) the RSU JOE Amendments, a summary of which is attached to this Management Proxy Circular as Appendix 3, be authorized, approved and confirmed; and
- (b) any officer or director of the Company is authorized and directed to execute and delivery, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution.

Unless authority to do so is withheld, the shares represented by the accompanying proxy will be voted FOR the approval of the RSU JOE Amendments.

Pursuant to regulatory requirements, the above resolution must be approved by a majority of the votes cast other than shares beneficially owned by insiders to whom RSUs may be granted under the Restricted Share Unit Plan. To the knowledge of the Company, as at the date of this Management Proxy Circular, a total of 11,663,815 shares held by insiders will not be counted for the purpose of determining whether the required level of shareholder approval has been obtained.

The text of the resolution approving the RSU Non-JOE Amendments is as follows:

BE IT RESOLVED THAT:

- (a) the RSU Non-JOE Amendments, a summary of which is attached to this Management Proxy Circular as Appendix 3, be authorized, approved and confirmed; and
- (b) any officer or director of the Company is authorized and directed to execute and delivery, under corporate seal or otherwise, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution.

Unless authority to do so is withheld, the shares represented by the accompanying proxy will be voted FOR the approval of the RSU Non-JOE Amendments.

Pursuant to regulatory requirements, the above resolution must be approved by a majority of the votes cast other than shares beneficially owned by insiders to whom RSUs may be granted under the Restricted Share Unit Plan. To the knowledge of the Company, as at the date of this Management Proxy Circular, a total of 11,663,815 shares held by insiders will not be counted for the purpose of determining whether the required level of shareholder approval has been obtained.

Other Business

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 Management Proxy 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 Management Proxy Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR (www.sedar.com). Shareholders may contact the Company at Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon Y1A 3T2 or by telephone at +44 (0)20 7408 9534 to request copies of the Company's AIF, audited consolidated financial statements and management's discussion and analysis for the most recently completed financial year. Financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

CONTACTING THE BOARD OF DIRECTORS

Shareholders and other interested parties may communicate directly with the Board of Directors through the Chairman of the Audit Committee by writing to:

European Goldfields Limited
Suite 200, Financial Plaza
204 Lambert Street
Whitehorse, Yukon
Canada Y1A 3T2
Attention: Bruce Burrows, Chairman of the Audit Committee

DIRECTORS' APPROVAL

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

DATED this 12th day of April 2010.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'M. Rachovides', written in a cursive style.

Mark Rachovides
Executive Vice President and Director

APPENDIX 1 – MANDATE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Board of Directors is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of the Corporate Governance and Nominating Committee, the Audit Committee, the Human Capital Management Committee and the Health, Safety and Environmental Committee. The Board of Directors shall meet at least quarterly to review the business operations, corporate governance, environmental and health and safety compliance and financial results of the Company. Meetings of the Board of Directors shall also include regular meetings of the independent members of the Board without management being present.

II. RESPONSIBILITIES

The Board of Directors' mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of directors the general responsibility for developing the Company's approach to: (i) corporate governance and nomination of directors related issues; (ii) financial reporting and internal controls; (iii) issues relating to compensation of officers and employees and (iv) environmental and health and safety matters.
- With the assistance of its Committees:
 - Create an agenda for the ensuing year to fulfill its mandate.
 - Review and update this Charter annually, as conditions dictate.
 - Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Company.
 - Reviewing the composition of the Board of Directors and ensuring it respects its independence criteria.
 - Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
 - Ensuring that an appropriate review selection process for new nominees to the Board of Directors is in place.
 - Approving disclosure and securities compliance policies, including communications policies of the Company and ensure a process is in place for stakeholders to provide feedback to the independent members of the Board.
 - The establishment of appropriate performance criteria for the senior management team and the approval of the compensation of the senior management team.
 - Recommending the appointment of the auditors and assessing the performance of the auditors.
 - Ensuring the integrity of the Company's internal controls and management information systems.
 - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
 - Identification of the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.

- Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
- As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
- Succession planning and the selection, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- The review and approval of corporate objectives and goals applicable to the Company's senior management.
- Reviewing with senior management:
 - major corporate decisions which require Board approval and approving such decisions as they arise.
 - major capital expenditure decisions (in excess of \$500,000) unless previously authorized in a budget or plan by the Board of Directors.
 - material decisions relating to senior personnel, development or operation of a mineral exploration properties or matters relating to the environment, health or safety.
- Performing such other functions as prescribed by law or assigned to the Board of Directors in the Company's constating documents and by-laws.

IV. MISCELLANEOUS

1. The members of the Board are expected to attend all meetings of Board of Directors in person or by phone unless prior notification of absence is provided.
2. The members of the Board are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.

Approved March 2009

APPENDIX 2 – CHANGE OF AUDITOR REPORTING PACKAGE

Notice of Change of Auditor

Pursuant to National Instrument 51-102 (Part 4.11)

TO: BDO Dunwoody LLP
AND TO: Ernst & Young LLP
AND TO: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Autorité des marchés financiers (Quebec)
Saskatchewan Financial Services Commission
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission

In accordance with National Instrument 51-102, please be advised as follows:

1. Effective 15th December 2009, BDO Dunwoody LLP (the "Former Auditor") resigned as auditor of European Goldfields Limited (the "Company") and Ernst & Young LLP (the "Successor Auditor") was appointed as the new auditor of the Company. The Former Auditor resigned at the request of the Company.
2. The resignation of the Former Auditor and the appointment of Ernst & Young LLP as the Successor Auditor was considered and approved by the Audit Committee and the Board of Directors of the Company.
3. There were no reservations in the Former Auditor's Reports on the Company's consolidated financial statements for the two most recently completed fiscal years nor for any period subsequent thereto for which an audit report was issued and preceding the date hereof.
4. In the opinion of the Company, there were no "Reportable Events," as defined in National Instrument 51-102 (Part 4.11).

Please advise the Board of Directors in writing whether or not you agree with the information contained in this Notice.

DATED this 15TH day of December 2009

ON BEHALF OF European Goldfields Limited:



APPENDIX 3 – EQUITY PLAN AMENDMENTS

Share Option Plan

Non-JOE Amendments to the Share Option Plan to be Approved by Shareholders

The SOP Non-JOE Amendments are as follows: (a) to add wording throughout the Share Option Plan to ensure that the rules and policies of the Alternative Investment Market of the London Stock Exchange plc (“AIM”) are followed, insofar as the common shares of the Company are listed on AIM; (b) to amend the definition of “change in control” to ensure that it conforms with the Company’s other security-based compensation plan, the Restricted Share Unit Plan; (c) to expand the definition of “Eligible Person” to clarify that directors (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* (“NI 45-106”)) are eligible to participate in the Share Option Plan; (d) to modify the wording of the section of the Share Option Plan which deals with the reservation of common shares of the Company; (e) to modify the wording of the section of the Share Option Plan which deals with the limitation on the issuance of common shares of the Company; (f) to delete provisions in the Share Option Plan which limit the aggregate number of common shares which may be issued to insiders and their associates during a one-year period to 5% of the issued common shares of the Company insofar as these provisions conflict with other provisions in the Share Option Plan which limit the number of common shares which may be issued to insiders under the Share Option Plan and under the Company’s previously established and outstanding stock option plan or grants, during a 12-month period, to 10% of the issued common shares of the Company; (g) to amend the definition of “cause” in the Share Option Plan to ensure that should such term not be defined in a participant’s employment or consulting agreement, that it shall mean any ground which would satisfy the services of the participant to be terminated without notice or payment in lieu thereof; (h) to add wording to the sections of the Share Option Plan which deal with the payment of taxes and other source deductions, including, social security contributions, by participants on the options and common shares they receive under the Share Option Plan to the effect that (i) the participant agrees to indemnify the Company and the participant’s employer (if different from the Company) for any applicable withholding taxes and other source deductions, (ii) the participant agrees to pay to the Company any amounts owing in respect of such taxes and other social security contributions; and (iii) the Company has the right to require that a participant sell a portion of its common shares to satisfy the payment of any such taxes and or other deductions; (i) to amend the amendment provisions of the Share Option Plan to permit the Board to make certain minor amendments, in accordance with Stock Exchange Policy, to the Share Option Plan without needing to obtain the approval of shareholders; and (j) to add wording to the Share Option Plan to ensure that should a participant be terminated, it will not be entitled to any compensation or damages on account of any loss in respect of options granted under the Share Option Plan.

Changes to Ensure that AIM Policies and Guidelines are Followed

There are numerous provisions under the Share Option Plan which require that the grant of options, vesting, exercise price and other provisions relating to the Share Option Plan be done in accordance with applicable law and policies of the Toronto Stock Exchange. In such places, wording has been added to ensure that the policies and guidelines of AIM are also observed.

Change in Control

The definition of “change in control” has been revised to make such definition consistent with other agreements to which the Company is subject, including the Restricted Share Unit Plan and to provide the Board of the Corporation with additional discretion to determine when a Change in Control, for purposes of the Share Option Plan, has occurred. The amended definition is as follows:

“means and will be deemed to have occurred in respect of the Corporation if:

- (i) any individual, corporation, partnership, trust or association, or a group consisting of any of the foregoing acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of voting securities of the Corporation representing fifty percent (50%) or more of the combined voting power, of the Corporation’s then outstanding voting securities (“Owner Event”) unless, (x) immediately after such Owner Event, all or substantially all of the individuals or entities who were the beneficial owners of voting capital of the Corporation immediately before the Owner Event

continue to beneficially own, directly or indirectly, more than 66 2/3% of the then outstanding voting capital of the resulting or acquiring entity after such Owner Event in substantially the same proportions as their respective ownership in the outstanding voting capital immediately before such owner Event, or (y) the Board of Directors determines, prior to the consummation of such Owner Event, that such Owner Event will not constitute a Change in Control for the purpose of the Plan; or

- (ii) individuals who on a particular date constituted the Board (together with any new directors whose election by the Board or whose nomination for election to the Board by the Corporation's shareholders was approved by a vote of at least two-thirds of the members of the Board then in office who either were members of the Board on such date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Board then in office (a "**Change in Board Majority**"), and an individual, corporation, partnership, trust or association has become, at any time during the 120 days before the Change in Board Majority, the ultimate beneficial owner of more than 33 1/3% of the total voting power of the capital stock of the Corporation of any class or kind ordinarily having the power to vote for the election of directors of the Corporation on a fully diluted basis; or
- (iii) there is consummated either (i) a merger, consolidation, reorganisation, share exchange or issuance of securities involving the Corporation (each a "**Business Combination**") unless, (x) immediately after such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of voting capital of the Corporation immediately before the Business Combination continue to beneficially own, directly or indirectly, more than 66 2/3% of the then outstanding voting capital of the resulting or acquiring entity in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Corporation or substantially all the Company's assets either directly or indirectly) in substantially the same proportions as their respective ownership in the outstanding voting capital immediately before such Business Combination or (y) the Board of Directors determines, prior to the consummation of such Business Combination, that such Business Combination will not constitute a Change in Control for the purpose of the Plan; or (ii) the sale or other disposition of any of the Corporation's assets for gross proceeds equal to at least two-thirds of the then appraised private enterprise value of the Company; or
- (iv) proceedings are commenced by the Corporation to seek its reorganisation, arrangement or the composition or readjustment of its debt or to obtain relief in respect of the Corporation, in each instance, under any law relating to bankruptcy, insolvency or reorganisation; or
- (v) the Board of Directors adopts a resolution to the effect that, for the purposes of the Plan, a Change in Control has occurred.

The Share Option Plan provides that, in the event of a Change in Control (as defined above), the Board of Directors will have the ability to accelerate the time for the fulfillment of any conditions or restrictions for the exercise of awards under the Plan.

Expansion of Definition of Eligible Persons

A minor amendment has been made to the definition of "Eligible Person" to ensure that it makes explicit reference to directors, as such term is defined under NI 45-106.

Reservation of Shares

The current version of the Share Option Plan uses the words "Notwithstanding the foregoing, at any time, the number of Common Shares reserved for issuance under the Plan and under the Corporation's previously established and outstanding stock option plan or grants may not exceed 15% of the Common Shares issued and outstanding from time to time." This wording has been changed to read "Notwithstanding the foregoing, at any time, the number of Common Shares reserved for issuance under the Plan and under each of the Corporation's other security based compensation arrangements may not exceed, in aggregate, 15% of the Common Shares issued and outstanding from time to time."

Limitation on Issue of Common Shares

The current version of the Share Option Plan uses the words “For so long as the Corporation’s Common Shares are posted and listed for trading on the TSE, unless permitted under TSE Policies or by Regulatory Approval, the number of Common Shares issued under the Plan and under the Corporation’s previously established and outstanding stock option plan or grants, within a one year period may not exceed 15% of the Common Shares issued and outstanding from time to time.” This wording has been changed to read “For so long as the Corporation’s Common Shares are posted and listed for trading on the TSE, unless permitted under TSE Policies or by Regulatory Approval, the number of Common Shares issued under the Plan and under each of the Corporation’s other security based compensation arrangements, within a one year period may not exceed, in aggregate, 15% of the Common Shares issued and outstanding from time to time.”

Options to Insiders

The current version of the Share Option Plan contains conflicting provisions relating to the aggregate number of common shares which may be granted to insiders under the Share Option Plan. Section 4.6(b) provides that, unless permitted under Stock Exchange Policies or regulatory approval and, if required thereby, shareholder approval is obtained, the number of common shares which may be issued and the number of options that may be granted to insiders under the Share Option Plan and under the Company’s previously established and outstanding stock option plan or grants within a 12 month period may not exceed 10% of the issued common shares. However, the wording following Section 4.6(b) then limits the aggregate number of common shares which may be issued to insiders and their associates during a one-year period to 5% of the issued common shares of the Company.

The wording relating to the 10% limit (which does not include associates of the insider) has been retained and the conflicting wording which applies to insiders and associates and limits the number of shares to 5% of the issued common shares of the Company has been deleted.

In addition, the current version of the Share Option Plan uses the words “under the Share Option Plan and under the Corporation’s previously established and outstanding stock option plan or grants”. This wording has been changed to read “under the Plan and under each of the Corporation’s other security based compensation arrangements”.

Definition of “Cause”

Section 6 of the Share Option Plan outlines the effect on a participant’s options should he or she be terminated in different circumstances, including for “cause”. “Cause” is currently narrowly defined in the Share Option Plan and, as such, such definition has been amended to mean:

“shall have the meaning given to it in the employment or consulting agreement or, if such term is not defined in such agreement, shall mean any ground which would justify the services of the Participant to be terminated without notice or payment in lieu and/or shall have the meaning given to such term under any applicable law.”

Taxes and other Source Deductions on Options and Common Shares issued to Participants

Explicit wording has been added to the sections of the Share Option Plan which deal with the payment of taxes and other source deductions, including, social security contributions, by participants on the awards they receive under the Share Option Plan. Such additional wording is intended to make it clear that, in respect of the grant, vesting or exercise of any options under the Share Option Plan (i) the participant agrees to indemnify the Company and the participant’s employer (if different from the Company) for any applicable withholding taxes and other source deductions, (ii) the participant is required to pay to the Corporation any amounts owing in respect of such taxes and other social security contributions; and (iii) the Company has the right to require that a participant sells a portion of its common shares to satisfy the payment of any such taxes and or other deductions.

Amendment Provisions

The Board’s discretion to make amendments to the Share Option Plan without seeking shareholder approval has been amended to include the following changes:

- (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 Share Option Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Share Option Plan;
- (c) a change to the vesting provisions of any option or the Share Option Plan;
- (d) amendments to reflect any changes in requirements of any regulator or stock exchange to which the Company is subject;
- (e) amendments to obtain or maintain favourable tax or exchange control treatment of the Company, any Related Entity or any present or future Participant;
- (f) a change to the termination provisions of an option or which does not result in an extension beyond the original term of the option;
- (g) certain substitutions and/or adjustments contemplated under the Share Option Plan;
- (h) the addition of a cashless exercise feature, payable in cash or securities of the Company; and
- (i) a change to the class of eligible persons that may participate under the Share Option Plan.

Notwithstanding the foregoing, shareholder approval will be required for:

- (a) a reduction in the exercise price of any option benefiting an insider;
- (b) an extension of the term of any option benefiting an insider;
- (c) any amendment to remove or to exceed the insider participation limit;
- (d) any amendment to increase to the maximum number of common shares which may be reserved for issuance under the Share Option Plan; and
- (e) amendments to the amending provisions of the Share Option Plan.

JOE Amendments to the Share Option Plan to be Approved by Shareholders

Below is a summary of the amendments that have been made in order to add the JOE structure to the Share Option Plan.

Renaming of Share Option Plan

The Share Option Plan has been re-named the “Share Incentive Plan” in order to reflect that JOE awards, in addition to options, may be granted under such plan.

Eligibility to Receive JOE Awards

In order to ensure that the implementation of the JOE structure complies with applicable Canadian securities laws, persons entitled to receive JOE awards has been amended to be any employee, Executive Officer or Director of the Company or of a Related Company or a Permitted Assign of such person provided that any such employee, Executive Officer or Director of the Company or of a Related Entity or a Permitted Assign of any such person neither be in Canada nor have an address in Canada on the books of the Company.

Forfeiting of JOE Awards

If a JOE participant's beneficial interest in common shares in respect of a JOE award is forfeited or lapses pursuant to the terms of a JOE ownership agreement, the participant is required to and is deemed to transfer the beneficial interest he or she holds for no or nominal consideration to such person as the Board may determine. Examples of when such JOE award may lapse include if the participant leaves the Company prior to vesting of such award, if the granting and vesting of the award is not done in compliance with applicable law and/or if the shareholders of the Company do not approve the SOP JOE Amendments.

Subscription Price, Exercise Price and Lending to the Trustee

The trustee of the trust established to facilitate the structure of JOE awards (the "Trustee") may subscribe for common shares (which are the subject of a JOE award) at a subscription price which shall be no less than the volume weighted average trading price of the common shares of the Company on the Stock Exchange for the five trading days prior to the effective date of grant of the JOE award. The price which a JOE participant will be required to pay to exercise his or her JOE Employee's Option (as defined below) will be the same as the option exercise price which would otherwise be applicable had an option, rather than a JOE award, been granted.

The Company shall be entitled to lend funds to the Trustee, on terms agreeable to the Company and the Trustee (including on an interest-free basis) and which the Board in its discretion deems appropriate and consistent with the Share Option Plan, in order to assist the Trustee to fund the subscription price.

Shares subject to Plan

The aggregate maximum number of common shares under the Company which may be reserved for issuance for all purposes under the Share Option Plan, as amended (including both options and JOE awards) shall, post-SOP JOE Amendments, continue not to exceed 15% of the common shares issued and outstanding from time to time, unless the Share Option Plan is amended pursuant to and in accordance with Stock Exchange Policies.

Limitation of options and JOE awards to any one person

The aggregate maximum number of common shares of the Company which may be reserved for issuance, or, in the case of JOE awards, transferred to any one person pursuant to options and JOE awards issued under the Share Option Plan continue, post-SOP JOE Amendments, shall not exceed, in aggregate, 5% of the common shares of the Company at the effective date of grant.

Options and JOE awards to insiders

Unless permitted by the Stock Exchange and, if required thereby or by applicable Stock Exchange Policies, approval by the shareholders is obtained:

- a) the aggregate number of common shares of the Company which may be reserved for issuance, or, in the case of JOE awards, transferred at any time under share options and JOE awards granted to insiders under the Share Option Plan, post-SOP JOE Amendments, and under each of the Company's other security based compensation arrangements continue, post-SOP JOE Amendments, not to exceed, in aggregate, 10% of the issued common shares of the Company; and
- b) the number of common shares of the Company which may be issued, or, in the case of JOE awards, transferred, and the number of options and JOE awards that may be granted to insiders under the Share Option Plan, post-SOP JOE Amendments, and under each of the Company's other security based compensation arrangements continue, post-SOP JOE Amendments, within a 12-month period, not to exceed, in aggregate, 10% of the issued shares.

Term of JOE award

Similar to options, the time during which a JOE participant may exercise his or her option to purchase the beneficial interest in the common shares of the Company held by the Trustee pursuant to each JOE award (the “**SOP JOE Employee’s Option**”) will expire on the date determined by the Board of Directors and specified in the JOE ownership agreement pursuant to which such award is granted, provided that such date may not be later than the earlier of (i) the date which is the tenth anniversary of the date on which such award is granted and (ii) the latest date permitted under applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange.

Notwithstanding the foregoing, and similar to options, if a SOP JOE Employee’s Option expires:

- (a) within a period during which the Company has imposed restrictions on trades in its securities by its executive officers, directors and employees (the “**Blackout Period**”), the expiry of the JOE Employee’s Option shall be extended to a date which is 10 business days after expiry of the Blackout Period; or
- (b) if a JOE Employee’s Option expires immediately following a Blackout Period, the expiry of the JOE Employee’s Option shall be extended to a date which is 10 business days less the number of business days between the date of expiry of the JOE Employee’s Option and the date on which the Blackout Period ends.

Fractional Shares

Similar to options granted under the Share Option Plan, as unamended, no fractional common shares may be awarded in relation to JOE awards.

Vesting of JOE Awards

Similar to options and subject to applicable Stock Exchange Policies, the Board of Directors may determine when any SOP JOE Employee’s Option will become exercisable and may determine that the SOP JOE Employee’s Option shall be exercisable in instalments. Without restricting the authority of the Board of Directors in respect of the terms of the SOP JOE Employee’s Option, subject to applicable Stock Exchange Policies, the Board of Directors may, at its discretion, in respect of any such option, provide that the right to exercise such option will vest in instalments over the life of the option, with the option being fully-exercisable only when such required time period or periods have elapsed. Subject to the foregoing, each JOE participant, upon becoming entitled to exercise the SOP JOE Employee’s Option in respect of any common shares of the Company in accordance with the JOE ownership agreement, shall be entitled to exercise the SOP JOE’s Employee Option to purchase the relevant beneficial interest in such common shares held by the Trustee at any time prior to the expiration or other termination of the SOP JOE’s Employee Option.

Upon exercise of the SOP JOE Employee’s Option, the JOE participant will pay the exercise price to the Trustee who will then, subject to payment of withholding tax obligations, transfer the registered interest and the full beneficial interest in the common shares underlying such award to the JOE participant.

Termination of JOE Eligible Person

The provisions in the Share Option Plan, post-SOP JOE Amendments, with respect to termination of participants and the effects of such termination on JOE awards will remain the same as for options and that they equally apply to JOE participants.

Status of terminated options

The Company has, subject to applicable law, the ability to purchase from the Trustee any common shares of the Company which have been the subject of a JOE award which for any reason is cancelled or terminated without having been exercised.

JOE awards non-transferable

Similar to options, JOE awards shall not be transferable or assignable by the JOE participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a participant only by the participant and after death only by the participant's personal representative, heirs or administrators and only in accordance with the terms of the Share Option Plan, as amended.

Further Adjustments

The provisions relating to a proposed merger, amalgamation or other corporate arrangement or reorganisation, the exchange or replacement of common shares of the Company for those in another corporation apply, post-SOP JOE Amendments, to JOE awards in the same manner that they apply to options.

Third party offer

The provisions relating to third party offers apply, post-SOP JOE Amendments, to JOE awards in the same manner that they apply to options.

Change in Control

The provisions relating to change in control apply, post-SOP JOE Amendments, to JOE awards in the same manner that they apply to options.

Amendment and termination of Share Option Plan

The provisions in the Share Option Plan relating to amendment and termination of the Share Option Plan apply, post-SOP JOE Amendments, to JOE awards in the same manner that they apply to options.

Amendment of outstanding JOE awards

The provisions in the Stock Option Plan relating to amendment of JOE awards apply, post-SOP JOE Amendments, to JOE awards in the same manner that they apply to options.

Restricted Share Unit Plan

Non-JOE Amendments to the Restricted Share Unit Plan to be Approved by Shareholders

The RSU Non-JOE Amendments are as follows: (a) to change the definition of persons eligible to participate in the Restricted Share Unit Plan to ensure that these comply with NI 45-106; (b) to amend the definition of "change in control" to include wording to the effect that a change in control includes where a group consisting of an individual, corporation, partnership, trust or association, acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of voting securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding voting securities; (c) to include a limitation of shares which may be reserved for issuance or issued to insiders under the Restricted Share Unit Plan; (d) to add wording to ensure that grants of RSUs may not be made when such grants would be prohibited by or in breach of applicable law; (e) to add wording to the sections of the Restricted Share Unit Plan which deal with the payment of taxes and other source deductions, including social security contributions, by participants on the awards they receive under the Restricted Share Unit Plan to the effect that (i) the participant agrees to indemnify the Company and the participant's employer (if different from the Company) for any applicable withholding taxes and other source deductions, (ii) the participant is required to pay to the Company any amounts owing in respect of such taxes and other social security contributions; and (iii) the Company has the right to require that a participant sells a portion of its common shares to satisfy the payment of any such taxes and or other deductions; (f) to amend the definition of "cause" in the Restricted Share Unit Plan to ensure that if such term is not defined in a participant's employment or consulting agreement, that such term shall mean any ground which would satisfy the services of the participant to be terminated without notice or payment in lieu thereof; (g) to amend the amendment provisions of the Restricted Share Unit Plan to permit the Board to make certain minor amendments, in accordance with Stock Exchange Policy, to the Restricted Share Unit Plan without needing to obtain the approval of shareholders; and (h) to add wording to the Restricted Share Unit Plan to ensure that should a participant be terminated, it will not be entitled to any

compensation or damages on account of any loss in respect of the RSUs granted under the Restricted Share Unit Plan.

Change to the Definition of “Eligible Persons”

The definition of “Eligible Person” in the Restricted Share Unit Plan has been amended to ensure that it uses terms that are defined in NI 45-106. Amending the definition of Eligible Persons (and adding the necessary underlying definitions of Executive Officer, Director, Consultant and Permitted Assign) will ensure that the granting and vesting of RSUs will be made in compliance with applicable law. Making these amendments in the Restricted Share Unit Plan will also conform the definition of Eligible Person to be the same as in the Company’s Share Option Plan, as amended.

Change in Control

Two of the prongs in the definition of “change in control” have been slightly amended to read as follows:

- (a) any individual, corporation, partnership, trust or association, or a group consisting of any of the foregoing acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of voting securities of the Company representing fifty percent (50%) or more of the combined voting power, of the Company’s then outstanding voting securities (“**Owner Event**”) unless, (x) immediately after such Owner Event, all or substantially all of the individuals or entities who were the beneficial owners of voting capital of the Company immediately prior to the Owner Event continue to beneficially own, directly or indirectly, more than 66 2/3% of the then outstanding voting capital of the resulting or acquiring entity after such Owner Event in substantially the same proportions as their respective ownership in the outstanding voting capital immediately prior to such Owner Event, or (y) the Board of Directors determines, prior to the consummation of such Owner Event, that such Owner Event will not constitute a Change in Control for the purpose of the Plan; or

- (c) there is consummated either (i) a merger, consolidation, reorganisation, share exchange or issuance of securities involving the Company (each a “**Business Combination**”) unless, (x) immediately after such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of voting capital of the Company immediately before the Business Combination continue to beneficially own, directly or indirectly, more than 66 2/3% of the then outstanding voting capital of the resulting or acquiring entity in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all the Company’s assets either directly or indirectly) in substantially the same proportions as their respective ownership in the outstanding voting capital immediately before such Business Combination, or (y) the Board of Directors determines, prior to the consummation of such Business Combination, that such Business Combination will not constitute a Change in Control for the purpose of the Plan; or (ii) the sale or other disposition of any of the Company’s assets for gross proceeds equal to at least two-thirds of the then appraised private enterprise value of the Company; or

These changes will result in the Change in Control in the Restricted Share Unit Plan being the same as in the Share Option Plan, with the amendments. The Restricted Share Unit Plan provides that, in the event of a Change in Control (as defined in such plan), the Board of Directors will have the ability to accelerate the time for the fulfillment of any conditions or restrictions for the exercise of awards under such plan.

RSUs to Insiders

The Restricted Share Unit Plan has been amended to include a limitation of shares which may be reserved for issuance or issued to insiders under the Restricted Share Unit Plan similar to the limitation in the Share Option Plan, as amended. The new wording appears as section 4.5(b) in the Restricted Share Unit Plan and reads as follows:

“Unless permitted by the Stock Exchanges and, if required thereby or by Applicable Law, approval by the shareholders is obtained:

- (a) the aggregate number of common shares of the Corporation which may be reserved for issuance at any time under RSUs granted to Insiders under the Plan and any Share Compensation Arrangement may not exceed 10% of the issued Shares; and
- (b) the number of Shares which may be issued and the number of RSUs that may be granted to Insiders under the Plan and any Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares.”

In addition, a definition of “Insider” has been added to the Restricted Share Unit Plan which reads as follows: ““Insider” has the meaning given to it in the rules and policies of the Toronto Stock Exchange.”

Compliance with Applicable Law

Additional wording has been added to certain provisions in the Restricted Share Unit Plan to ensure that the granting and vesting of RSUs not be permitted if prohibited by, or in breach of, applicable law.

Definition of “Cause”

Section 4.12 of the Restricted Share Unit Plan outlines the effect on a participant’s RSUs should he or she be terminated, including for “cause”. “Cause” is narrowly defined and, as such, the definition of “cause” has been expanded to mean:

“shall have the meaning given to it in the employment or consulting agreement or, if such term is not defined in such agreement, shall mean any ground which would justify the services of the participant to be terminated without notice or payment in lieu and/or shall have the meaning given to such term under any applicable law.”

Taxes and other Source Deductions on RSUs and Common Shares issued to participants

Explicit wording has been added to the sections of the Restricted Share Unit Plan which deal with the payment of taxes and other source deductions, including, social security contributions, by participants on the RSUs and common shares they receive under the Restricted Share Unit Plan. Such additional wording is intended to make it clear that, in respect of the grant or vesting of any RSUs under the Restricted Share Unit Plan, (i) the participant agrees to indemnify the Company and the participant’s employer (if different from the Company) for any applicable withholding taxes and other source deductions, (ii) the participant is required to pay to the Company any amounts owing in respect of such taxes and other social security contributions; and (iii) the Company has the right to require that a participant sells a portion of its common shares to satisfy the payment of any such taxes and or other deductions.

Amendment Provisions

The Board’s discretion to make amendments to the Restricted Share Unit Plan without seeking shareholder approval has been amended to include the following changes:

- (f) amendments of a “housekeeping” nature including, but not limited to, of a clerical, grammatical or typographical nature;
- (g) to correct any defect, supply any information or reconcile any inconsistency in the Restricted Share Option Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (h) a change to the vesting provisions of any RSU or the Restricted Share Unit Plan;
- (i) amendments to reflect any changes in requirements of any regulator or stock exchange to which the Company is subject;
- (j) amendments to obtain or maintain favourable tax or exchange control treatment of the Company, any Related Entity or any present or future Participant;

- (k) a change to the termination provisions of an RSU or which does not result in an extension beyond the original term of the RSU;
- (l) certain substitutions and/or adjustments contemplated under the Restricted Share Unit Plan; and
- (m) a change to the class of Eligible Persons that may participate under the Plan.

Notwithstanding the foregoing, shareholder approval will be required for:

- (n) an extension of the term of any RSU benefiting an insider;
- (o) any amendment to remove or to exceed the insider participation limit;
- (p) any amendment to increase to the maximum number of common shares which may be reserved for issuance under the Restricted Share Unit Plan; and
- (q) amendments to the amending provisions of the Restricted Share Unit Plan.

JOE Amendments to the Restricted Share Unit Plan to be Approved by Shareholders

Below is a summary of the amendments that have been made in order to add the JOE structure to the Restricted Share Unit Plan.

Renaming of Restricted Share Unit Plan

The Restricted Share Unit Plan has been amended to be re-named the “Equity Incentive Plan” to reflect that JOE awards, in addition to RSUs, may be granted under such plan.

Eligibility to Receive JOE Awards

In order to ensure that the implementation of the JOE structure complies with applicable Canadian securities laws, persons entitled to receive JOE awards are any employee, Executive Officer or Director of the Company or of a Related Company or a Permitted Assign of such person provided that any such employee, Executive Officer or Director of the Company or of a Related Entity or a Permitted Assign of any such person neither be in Canada nor have an address in Canada on the books of the Company.

Forfeiting of JOE Awards

If a JOE participant’s beneficial interest in common shares in respect of a JOE award is forfeited or lapses pursuant to the terms of a JOE ownership agreement, the participant is required to and is deemed to transfer the beneficial interest it holds for no or nominal consideration to such person as the Board may determine. Examples of when such JOE award may lapse include if the participant leaves the Company prior to vesting of such award, if the granting and vesting of the award is not done in compliance with applicable law and/or if the shareholders of the Company do not approve the RSU JOE Amendments.

Subscription Price and Lending to the Trustee

The Trustee may subscribe for common shares (which are the subject of a JOE award) at a subscription price which shall be no less than the volume weighted average trading price of the common shares of the Company on the Stock Exchange for the five trading days prior to the effective date of grant of the JOE award.

The Company is entitled to lend funds to the Trustee, on terms agreeable to the Company and the Trustee (including on an interest-free basis) and which the Board in its discretion deems appropriate and consistent with the Restricted Share Unit Plan, as amended, in order to assist the Trustee to fund the Subscription Price.

Shares subject to Restricted Share Unit Plan

The aggregate maximum number of common shares under the Company which may be reserved for issuance for all purposes under the Restricted Share Unit Plan (including both RSUs and JOE awards) shall, post-RSU JOE Amendments, continue not to exceed 2.5% of the common shares issued and outstanding from time to time.

Limitation of RSUs and JOE awards to any one person

Unless permitted by regulatory approval and, if required by applicable law, shareholder approval is obtained the aggregate maximum number of common shares of the Company which may be reserved for issuance to any one person pursuant to RSUs and JOE awards or issued or, in the case of JOE awards, transferred under the Restricted Share Unit Plan, as amended, and under any other share compensation arrangements continue, post-RSU JOE Amendments shall continue not to exceed 5% of the common shares of the Company at the grant date.

RSUs and JOE Awards to Insiders

The Restricted Share Unit Plan has been amended to include a limitation of shares which may be reserved for issuance or issued to insiders under the Restricted Share Unit Plan similar to the limitation in the Share Option Plan, as amended. The new wording appears as section 4.5(b) in the Restricted Share Unit Plan and reads as follows:

“Unless permitted by the Stock Exchanges and, if required thereby or by Applicable Law, approval by the shareholders is obtained:

- (a) the aggregate number of common shares of the Corporation which may be reserved for issuance at any time under RSUs and JOE Awards granted to Insiders under the Plan and any Share Compensation Arrangement may not exceed 10% of the issued Shares; and
- (b) the number of Shares which may be issued and the number of RSUs and JOE Awards that may be granted to Insiders under the Plan and any Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares.”

In addition, a definition of “Insider” has been added to the Restricted Share Unit Plan which reads as follows: ““Insider” has the meaning given to it in the rules and policies of the Toronto Stock Exchange.”

Vesting of JOE Awards

Similar to RSUs and subject to applicable Stock Exchange Policies, the Board of Directors may determine when any RSU JOE award will vest. Upon vesting, the participant will pay a nominal exercise price (as set out in the JOE ownership agreement) to the Trustee who will then, subject to withholding tax obligations, transfer the registered interest and full beneficial interest in the shares underlying such award to the JOE participant.

Termination of JOE Eligible Person

The provisions in the Restricted Share Unit Plan, post-RSU JOE Amendments, with respect to termination remain the same and equally apply to JOE participants.

Status of terminated RSUs

The Company has, subject to applicable law, the ability to purchase from the Trustee any common shares of the Company which have been the subject of a JOE award which for any reason is cancelled or terminated. In the case of JOE awards, if a JOE participant does not pay the nominal exercise price (as set out in the JOE ownership agreement) to the Trustee within 12 months following the vesting date of such JOE award, the JOE award will be deemed to have lapsed.

JOE Awards non-transferable

The provisions relating to permissible transfers of RSUs apply equally to the transfer of RSU JOE awards, post-RSU JOE Amendments.

Further Adjustments

The provisions in the Restricted Share Unit Plan relating to a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of common shares of the Company for those in another corporation apply, post-RSU JOE Amendments, to JOE awards in the same manner that they apply to RSUs.

Change in Control

The provisions relating to change in control apply, post-RSU JOE Amendments, to JOE awards in the same manner that they apply to RSUs.

Amendment and termination of Restricted Share Unit Plan

The provisions relating to amendment and termination of the Restricted Share Unit Plan apply, post-RSU JOE Amendments, to JOE awards in the same manner that they apply to RSUs.

Amendment of outstanding JOE awards

The provisions relating to amendment of JOE awards apply, post-RSU JOE Amendments, to JOE awards in the same manner that they apply to RSUs.