

ARIAN SILVER CORPORATION

Carlyle House, 235-237 Vauxhall Bridge Road
London SW1V 1EJ
England
Tel: +44 (0)20 7963 8670

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) will be held in the Albert Suite 3 at the Park Plaza Victoria Hotel, 239 Vauxhall Bridge Road, London SW1V 1EQ, England, on 23 June, 2009 at 11:30 a.m. (London time) for the following purposes:

1. to receive the audited financial statements of the Company for the year ended 31 December, 2008, together with the report of the auditors thereon;
2. to elect directors;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. as Special Business to consider and, if thought appropriate, to pass a resolution re-approving the Company’s stock option plan, annexed as Schedule “C” to the accompanying Management Information Circular; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Each resolution relating to items 2 to 4 will be proposed as a Resolution of Shareholders. The attached Management Information Circular sets forth a description of the matters referred to in items 2 to 4.

A copy of the financial statements and the report of the auditors, Management Information Circular, form of proxy and supplemental mailing list card accompany this Notice.

Only holders of Common Shares of record on 6 May, 2009 (the “**Record Date**”) are entitled to notice of and to vote at the Meeting. To the extent any such shareholder transfers the ownership of any of his, her or its Common Shares after the Record Date and the transferee of those shares establishes that he, she or it owns such shares and demands not later than 10 days before the Meeting that his, her or its name be included in the shareholders’ list, such transferee will be entitled to vote such shares at the Meeting.

Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date and sign the enclosed form of proxy.

A proxy will not be valid unless it is deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 or sent by facsimile within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date of the Meeting or any adjournment thereof. If you are able to attend the Meeting or any adjournment thereof, sending your proxy will not prevent you from voting in person.

DATED this 14th day of May, 2009.

By Order of the Board of Directors

(Signed) “*Graham A. Potts*”

Graham A. Potts

Corporate Secretary

ARIAN SILVER CORPORATION

(BVI Company No.: 1029783)

Carlyle House, 235-237 Vauxhall Bridge Road
London SW1V 1EJ
England
Tel: +44 (0)20 7963 8670

**MANAGEMENT INFORMATION CIRCULAR
DATED AS OF 14 MAY, 2009**

BVI Business Companies Act, 2004

In respect of the Annual General Meeting of shareholders (the “**Meeting**”) of Arian Silver Corporation (the “**Company**”) to be held in the Albert Suite 3 at the Park Plaza Victoria Hotel, 239 Vauxhall Bridge Road, London SW1V 1EQ, England, on 23 June, 2009 at 11:30 a.m. (London time).

SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION ON BEHALF OF THE MANAGEMENT OF THE COMPANY OF PROXIES TO BE USED AT THE MEETING (AND ANY ADJOURNMENT THEREOF) TO BE HELD ON 23 JUNE, 2009 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH ABOVE AND IN THE ACCOMPANYING NOTICE OF MEETING. Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors, officers and employees of the Company without special compensation. The cost of solicitation by management of the Company will be borne by the Company.

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

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are nominees of management of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO** by either filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy. A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, or by facsimile within North America to +1 (866) 249-7775 and outside North America to +1 (416) 263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof at which the proxy is to be used, or deliver it to the Chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, or at the Company's office at Carlyle House, 235-237 Vauxhall Bridge Road, London SW1V 1EJ, England at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chair of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if he, she or it does so, his, her or its proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy will be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, AND FOR THE RE-APPROVAL OF THE COMPANY'S STOCK OPTION PLAN. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE.** As of the date hereof, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares of no par value (the "**Common Shares**"). At the date hereof, the Company has outstanding 258,142,878 Common Shares, each of which carries one vote. The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "AGQ"; on London's Alternative Investment Market ("**AIM**"); on the Frankfurt Stock Exchange under the symbol "I3A" and trades on London's "PLUS" Market under the symbol "AGQ". The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as 6 May, 2009 (the "**Record Date**"). The Company's registrar and transfer agent, Computershare Investor Services Inc., will prepare an alphabetical list of shareholders as of such Record Date showing the number of Common Shares held by each shareholder. A shareholder may examine the list during usual business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, and at the Meeting. Each shareholder named in the list will be entitled to one vote per Common Share shown opposite his, her or its name on the said list, even though he, she or it has since that date disposed of his, her or its Common Shares. Where a shareholder has transferred ownership of any of his, her or its Common Shares after the Record Date, the transferee (and not the original shareholder) may vote such shares provided he, she or it (a) produces properly endorsed share certificates to the Company or otherwise establishes to the Company that he, she or it owns such shares, and (b) demands, not later than 10 days before the Meeting, that his, her or its name be included in the list of shareholders before the Meeting.

As at the date of this Management Information Circular, to the knowledge of the directors or executive officers of the Company, no persons beneficially owned, controlled or directed, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attaching to any class of outstanding voting securities of the Company, except for the following.

Name	Number of Common Shares held	Percentage
Grafton Resource Investments Ltd.	109,090,909	42.2%

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans (“**RRSPs**”), Registered Retirement Income Funds (“**RRIFs**”), Registered Education Savings Plans (“**RESPs**”) and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of Canadian National Instrument 54-101, the Company will have distributed copies of the Notice of Meeting, this Management Information Circular and the form of proxy (collectively, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Applicable regulatory law and policy requires Intermediaries and clearing agencies to seek voting instructions from Non-Registered Holders. Without specific instructions from Non-Registered Holders, Intermediaries and clearing agencies are prohibited from voting the shares of the Non-Registered Holders. Accordingly, Intermediaries and clearing agencies are required to forward the meeting materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

BUSINESS TO BE CONSIDERED AT THE MEETING

Audited Financial Statements

The Company’s audited financial statements for the financial year ended 31 December, 2008 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Company’s audited consolidated financial statements for the financial year ended 31 December, 2008 will not constitute approval or disapproval of any matters referred to therein.

Appointment of Auditors

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF PFK (UK) LLP AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

PFK (UK) LLP was appointed on 24 May, 2006.

Election of Directors

The Articles of Association of the Company provide that the Company is authorised to appoint a minimum of one and a maximum of twelve directors. The board of directors of the Company (the “**Board**” or “**Board of Directors**”) currently consists of five directors. Pursuant to share issues announced on 26 February and 17 April, 2009 in connection with a previously announced two stage share exchange transaction with Grafton Resource Investments Ltd (“Grafton”), Grafton became the holder of 109,090,909 Common Shares representing approximately 42.2% of the issued and outstanding Common Shares (see “*Interests of Informed Persons in Material Transactions*”) below. In addition, Grafton become entitled to nominate a director to the Board and has nominated Mr D Cather. Accordingly, it is proposed that six directors be elected at the Meeting. The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, their municipalities of residence, all other positions and offices with the Company now held by them, their principal occupation or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, controlled or directed, directly or indirectly, by each of them as of the date hereof.

The present term of office of each current director of the Company will expire at the close of the Meeting. Each person whose name appears hereunder is proposed to be elected as a director of the Company to serve for the period commencing immediately subsequent to the close of the Meeting and ending at the close of the next annual meeting of shareholders or until his successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of Association of the Company or with the provisions of the *BVI Business Companies Act, 2004*.

Each person nominated for election as a director will be proposed and voted on individually.

Name, Municipality of Residence and Current Position(s) with the Company	Principal Occupation ⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Directed or Controlled, Directly or Indirectly ⁽²⁾
Anthony Joseph Williams London, United Kingdom Executive Chairman and Director	Chairman of the Company. Principal of the Dragon Group of Companies since October 1995.	25 May, 2006	2,000,000
James Thomas Williams Conwy, United Kingdom Chief Executive Officer and Director	Chief Executive Officer of the Company.	24 May, 2006	6,800,000

Name, Municipality of Residence and Current Position(s) with the Company	Principal Occupation ⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Directed or Controlled, Directly or Indirectly⁽²⁾
James Seymour Cable ⁽³⁾⁽⁴⁾ Paddock Wood, Kent, United Kingdom Director	Finance Director of Kopane Diamond Developments Plc since 2005. Chief Financial Officer of the Company from 2006 to 2008.	24 May, 2006	Nil
Thomas Anstey Bailey ⁽³⁾⁽⁴⁾ Bickley, Kent, United Kingdom Director	Self-employed Consultant since 2002.	25 May, 2006	Nil
James Arnott Crombie ⁽³⁾⁽⁴⁾ Nassau, Bahamas Director	President and Chief Executive Officer of Reunion Gold Corporation from 2004. Vice Chairman and Chief Executive Officer of Queensland Minerals from 2007. Director, President and Chief Executive Officer of Odyssey Resources Limited since 2008.	29 December, 2006	1,500,000
David Connal Cather Birstall, Leicestershire, United Kingdom	Director of CMC Ltd (a natural resource consulting company) since 2006. Technical director of Anglo Industrial Minerals (a division of Anglo American plc) to 2006.	Appointment pending	Nil

Notes:

- (1) The principal occupations of Mr Cather, the nominee of Grafton, during the past five years are as set forth above.
- (2) The information as to voting securities beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (3) Member of the Audit Committee. The Audit Committee is currently composed of all of the non-executive directors, a majority of whom are independent. The Audit Committee meets at least quarterly to review the Company's interim and annual consolidated financial statements before submission to the Board of Directors for approval. The Audit Committee determines and examines any matter relating to the financial affairs of the Company including the performance, position and prospects of the Company and ensures they are properly monitored and reported on.
- (4) Member of the Compensation Committee. The Compensation Committee is currently composed of all the non-executive directors a majority of whom are independent. The Compensation Committee meets as required during the year to review the performance of the senior executives and set the scale and structure of their remuneration and compensation packages and to consider the Company's benefit plans.

Corporate Cease Trade Orders or Bankruptcies

Except as hereinafter set forth, no proposed director of the Company is, as at the date hereof, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that,

1. was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in

effect 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

2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer 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.

Mr. Anthony J. Williams, the Company's Executive Chairman, was at the relevant time a director of European Diamonds Plc, which has since changed its name to Kopane Diamond Developments Plc ("**European Diamonds**"), a United Kingdom based resource company listed on AIM. European Diamonds became a reporting issuer in British Columbia as a result of a take-over of MineGem Inc. in October 2003. As a result of an incorrect profile on SEDAR that provided a financial year end of December 31, European Diamonds was noted in default by the British Columbia Securities Commission ("**BCSC**") for not having made certain financial statement filings in respect of a 31 December year end and on 2 June, 2004 the BCSC issued a cease trade order with respect to all trading in the securities of European Diamonds. Subsequently, European Diamonds corrected its SEDAR profile to reflect a 30 June year end. On 4 August, 2004, the BCSC issued a revocation of the cease trade order noting that European Diamonds was not in default of its filings. On 15 November, 2004, upon the application of European Diamonds, the BCSC deemed European Diamonds to have ceased to be a reporting issuer in British Columbia.

Except as hereinafter set forth, no proposed director of the Company is, as at the date hereof, or has been within 10 years before the date hereof, 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.

Mr. James Cable, a Director of the Company, was at the relevant time a director of Primavision Limited, which was placed into creditor's voluntary liquidation on 10 March, 2003. The liquidation was completed in 2007.

Penalties or Sanctions

No proposed director of the Company or any personal holding company of such person has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or, (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

No proposed director of the Company or any personal holding company of such person has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF EACH OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER

HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF ALL OF THE DIRECTORS.

Re-Approval of the Stock Option Plan

The Company currently has one stock option plan, as amended and restated, effective as of 9 May, 2007 (the “**Plan**”), a copy of which is annexed as Schedule “C” to this Management Information Circular. The Plan was last re-approved by shareholders of the Company at the meeting of shareholders held on 12 June, 2008.

The Plan was established to encourage ownership of the common shares of the Company by directors, officers, employees of the Company and its subsidiaries and other service providers, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for such persons and to enable the Company and its subsidiaries to attract and retain valued directors, officers, employees and other service providers.

The Plan is a “rolling” stock option plan as it provides that the maximum number of shares which may be reserved and set aside for issue under the Plan and which are subject to outstanding options granted under a prior plan must not exceed 10% of the issued shares of the Company at the time of the stock option grant (on a non-diluted basis). The aggregate number of shares which may be reserved for issuance to any one person under the Plan and which are subject to outstanding options granted under a prior plan must not exceed 5% of the issued shares (determined at the date the option was granted) in a 12 month period.

The TSXV requires that “rolling” stock option plans such as the Plan be approved by shareholders on an annual basis. Accordingly, the shareholders of the Company will be asked at the Meeting to re-approve the Plan annexed as Schedule “C” to this Management Information Circular. To be effective, the resolution re-approving the Plan must be approved by a majority of the votes cast by the holders of Common Shares who vote in person or by proxy at the Meeting on the resolution.

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

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Pursuant to *Form 51-102F6 – Statement of Executive Compensation* (“**Form 51-102 F6**”) and for purposes of this Management Information Circular, a named executive officer (“**NEO**”) of the Company means each of the following individuals:

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

Accordingly, the NEOs are James T. Williams (CEO), Graham A Potts (CFO – part year), James S Cable (CFO – part year) and Anthony J Williams (Executive Chairman).

This Compensation Discussion and Analysis describes in general terms the significant elements of the NEOs compensation for the financial year ended 31 December, 2008. As set out in the Summary Compensation Table below, compensation comprises salary and option-based awards.

The current objective of the compensation strategy is to seek to attract, motivate, retain and appropriately reward the NEOs in order to promote the development of the Company and achieve the broader objectives set by the Board of Directors.

The Board has established a Compensation Committee which is currently composed of three members, being Messrs. Thomas A. Bailey, James S. Cable and James A. Crombie. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. The Compensation Committee meets as required during the year to review the performance of the executive directors and senior executives. The scale and structure of the remuneration and compensation packages for the NEOs is set taking into account time commitment, comparatives, risks and responsibilities, to ensure that the amount of compensation adequately reflects the individual’s previous performance, achievements, experience, responsibilities and risks of the office or position held.

The Company is at an early stage of development and currently not generating revenues from its operations. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Compensation Committee to be appropriate in the evaluation of corporate or the NEOs performance.

The members of the Compensation Committee have between them experience of and contacts within the minerals industry as well as in the broader business community. It is considered that the Compensation Committee has sufficient experience and knowledge to set appropriate levels of compensation. Neither the Company nor the Compensation Committee currently engages independent consultants to evaluate the levels of compensation.

The recommendations of the Compensation Committee are submitted to the independent members of the Board of Directors for consideration and approval.

The Company provides NEOs with base salaries which represent their minimum compensation for services rendered during the financial year. NEOs' base salaries depend on the scope of their experience, responsibilities, and performance. A description of the material terms of each NEO employment contract is provided under "*Terms of Employment, Termination and Change of Control Benefits*" (below).

The Company operates a stock option plan which provides the opportunity for all directors, officers and employees of the Company and its subsidiaries to participate in the grant of stock options. Options are awarded from time to time with the objective of encouraging a broad base of support for the Company's objectives.

Option-Based Awards

Stock options are granted to executive officers in accordance with the rules of the Plan, a copy of which is annexed as Schedule "C" to this Management Information Circular. Options are allocated as approved by the Board of Directors on the recommendation of the Compensation Committee. Option awards are reviewed periodically and take into account previous option grants, changes in executive positions and overall contribution to the Company. The material provisions of the Plan are described under the heading "*Business to be considered at the Meeting - Re-Approval of the Stock Option Plan*" in this Management Information Circular.

Summary Compensation Table

The following table sets forth the compensation awarded, paid to or earned by the NEOs of the Company for the financial years ended 31 December, 2008, 2007 and 2006, as applicable:

Name and Principal Position	Year	Salary (US\$) ⁽²⁾	Option-based awards (US\$) ⁽³⁾	Total Compensation (US\$)
James T. Williams, Chief Executive Officer	2008	260,000	114,000	374,000
	2007	240,000	240,000	480,000
	2006	218,000	182,000	400,000
Graham A. Potts Chief Financial Officer ⁽¹⁾	2008	117,000	76,000	193,000
	2007	80,000	120,000	200,000
	2006	73,000	76,000	149,000
James S. Cable, Finance Director (CFO) ⁽¹⁾	2008	28,000	Nil	28,000
	2007	80,000	96,000	176,000
	2006	73,000	61,000	134,000
Anthony J. Williams Executive Chairman	2008	134,000	114,000	248,000
	2007	144,000	240,000	384,000
	2006	131,000	182,000	313,000

Notes:

- (1) Mr. G. Potts replaced Mr J. Cable as Chief Financial Officer with effect from 22 January, 2008. Mr. Potts is also Corporate Secretary which position he held prior to being appointed Chief Financial Officer. Mr J. Cable remains on the Board of Directors as a non-executive director.
- (2) Salaries are paid in Pounds Sterling and translated into US Dollars for reporting purposes and include any exchange rate fluctuations from year to year.

- (3) The Company has used the Black-Scholes model for calculating the fair value of options granted as it is widely accepted as an industry standard. The key assumptions and estimates used for the calculation of the grant date fair value include:

Year	Risk-free interest rate	Volatility	Expected life
2008	4.75%	62%	2-5 years
2007	4.75%	60%	2-3 years
2006	3.98% to 4.18%	80%	2-3 years

The grant date fair value presented above is the fair value calculated for the year-end consolidated financial statements.

Outstanding Option-based Awards

The following table sets out all stock options outstanding at 31 December, 2008, including those granted during the financial year ended 31 December, 2008, for each of the Company's NEOs.

Name	Number of securities underlying unexercised options (#)	Option exercise price (GB£) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options ⁽²⁾	Value of options vested during the year ⁽³⁾
James T. Williams	750,000 1,000,000 1,200,000	0.12 0.27 0.15	4 June, 2013 13 June, 2010 31 January, 2009	Nil	Nil
Graham A. Potts ⁽⁴⁾	500,000 500,000 500,000	0.12 0.27 0.15	4 June, 2013 13 June, 2010 31 January, 2009	Nil	Nil
James S. Cable ⁽⁴⁾	400,000 400,000	0.27 0.15	13 June, 2010 31 January, 2009	Nil	Nil
Anthony J. Williams	750,000 1,000,000 1,200,000	0.12 0.27 0.15	4 June, 2013 13 June, 2010 31 January, 2009	Nil	Nil

Notes:

- (1) The exercise price is the closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant converted at the Cdn\$/GB£ exchange rate ruling on such date.
- (2) The value of unexercised in-the-money options is calculated by using the closing share price on London's AIM on 31 December, 2008 less the exercise prices of the in-the-money stock options.
- (3) The value of options vested during 2008 is calculated by using the difference between the market price of the underlying securities on the vesting date and the exercise price of the options.
- (4) Mr. G. Potts replaced Mr. J. Cable as Chief Financial Officer with effect from 22 January, 2008. Mr. Potts is also Corporate Secretary which position he held prior to being appointed Chief Financial Officer. Mr. J. Cable remains on the Board of Directors as a non-executive director.

Terms of Employment, Termination and Change of Control Benefits

Anthony Williams, Executive Chairman, provides his services to the Company on a part-time basis at a salary of £72,000 per annum, which is subject to review by the Compensation Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon 12 months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr. Williams' appointment there is a change of control and within 12 months of such change of control the Company or Mr. Williams terminate the appointment, Mr. Williams will be entitled to compensation, being a lump sum of 300% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for 6 months following termination. If the termination and/or change of control events had occurred on 31 December, 2008 the following are the estimated amounts that would have been payable to Mr Williams:

	Salary
Termination without cause	£72,000
Change of control	£216,000
Termination without cause following a change of control	£216,000

No option gains would have been realised as at 31 December, 2008 since none of Mr Williams' options were in-the-money at that date.

James Williams, Chief Executive Officer, provides his services to the Company on a full-time basis at a salary of £160,000 per annum (increased from £120,000 with effect from 1 June 2008), which is subject to review by the Compensation Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon 12 months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr. Williams' appointment there is a change of control and within 12 months of such change of control the Company or Mr. Williams terminate the appointment, Mr. Williams will be entitled to compensation, being a lump sum of 300% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for 6 months following termination. If the termination and/or change of control events had occurred on 31 December, 2008 the following are the estimated amounts that would have been payable to Mr Williams:

	Salary
Termination without cause	£160,000
Change of control	£480,000
Termination without cause following a change of control	£480,000

No option gains would have been realised as at 31 December, 2008 since none of Mr Williams' options were in-the-money at that date.

Graham Potts, Chief Financial Officer (from 22 January, 2008) and Corporate Secretary, provides his services on a part-time basis at a salary of £80,000 per annum (increased from £40,000 with effect from 1 June, 2008), which is subject to review by the Compensation Committee of the Board of Directors no less than once a year. His appointment may be terminated by either party upon three months' written notice. The Company may terminate the appointment by notice but with immediate effect for reasons including

gross misconduct or bankruptcy. The appointment agreement is governed by the laws of England. If during the term of Mr. Potts' appointment there is a change of control and within 12 months of such change of control the Company or Mr. Potts terminate the appointment, Mr. Potts will be entitled to compensation, being a lump sum of 300% of his salary at the date of the change of control. The appointment agreement contains restrictive covenants including a non-compete clause for 6 months following termination. If the termination and/or change of control events had occurred on 31 December, 2008 the following are the estimated amounts that would have been payable to Mr Potts:

	Salary
Termination without cause	£80,000
Change of control	£240,000
Termination without cause following a change of control	£240,000

No option gains would have been realised as at 31 December, 2008 since none of Mr Potts' options were in-the-money at that date

Change of control means where any person (or persons acting in concert) who (directly or indirectly) controls the Company ceases to do so or if a person (or persons acting in concert) acquires (directly or indirectly) control of the Company. Control shall be construed in accordance with section 840 of the Income and Corporation Taxes Act 1988 of Great Britain.

James Cable ceased to be Finance Director (CFO) with effect on 22 January, 2008 and his executive contract terminated on that date by mutual consent without compensation in respect of such termination. Mr. Cable has continued as a non-executive director.

Director compensation table

The following table sets forth the compensation awarded, paid to or earned by directors who are not the NEOs of the Company for the financial year ended 31 December, 2008:

Name	Fees Earned (US\$) ⁽³⁾	Total (US\$)
Thomas A. Bailey	28,000	28,000
David W. Cohen ⁽¹⁾	14,000	14,000
James A. Crombie ⁽²⁾	35,000	35,000

Notes:

- (1) David Cohen ceased to be a director on 12 June 2008.
- (2) Fees Earned includes an amount of US\$7,000 accrued from the financial year ended 31 December 2007.
- (3) Fees are paid in Pounds Sterling and translated into US Dollars for reporting purposes and include any exchange rate fluctuations from year to year.
- (4) Compensation received by James Cable as a non-executive director has been included in the Summary Compensation Table above.

Compensation of Directors

The Company has entered into compensation arrangements with its non-executive directors, whereby each such director is entitled to receive compensation of £15,000 per annum.

Outstanding Option-based Awards

The following table sets out all stock options outstanding at 31 December, 2008, including those granted during the financial year ended 31 December, 2008, for the directors of the Company who are not NEOs.

Name	Number of securities underlying unexercised options (#)	Option exercise price (GB£) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options ⁽²⁾	Value of options vested during the year ⁽³⁾
Thomas A. Bailey	400,000	0.15	31 January, 2009	Nil	Nil
David W. Cohen ⁽⁴⁾	N/A	-	-	-	-
James A. Crombie	500,000	0.245	22 February, 2010	Nil	Nil

Notes:

- (1) The exercise price is the closing market price on the TSX Venture Exchange on the trading day immediately prior to the date of grant converted at the Cdn\$/GB£ exchange rate ruling on such date.
- (2) The value of unexercised in-the-money options is calculated by using the closing share price on London's AIM on 31 December, 2008 less the exercise prices of the in-the-money stock options.
- (3) The value of options vested during 2008 is calculated by using the difference between the market price of the underlying securities on the vesting date and the exercise price of the options.
- (4) David Cohen ceased to be a director on 12 June 2008.

Stock Option Plan

Details of the Plan are set out under *"Business to be considered at the Meeting - Re-Approval of the Stock Option Plan"*. A copy of the Plan is attached as *Schedule "C"* to this Management Information Circular.

The Plan is designed to motivate and retain directors, officers, employees and other service providers and to align their interests with those of the Company's shareholders. Participation in the Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Plan enables executives to develop and maintain an ownership interest in the Corporation.

Long-term incentives for executive officers have been provided through stock options granted under the Plan and are an important part of compensation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of 31 December, 2008 with respect to the Common Shares that may be issued under the Plan.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	12,040,000 Common Shares	US\$0.36	2,865,197 Common Shares
Equity compensation plans not approved by securityholders	NIL	NIL	NIL
Total	12,040,000 Common Shares	US\$0.36	2,865,197 Common Shares

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the Company's most recently completed financial year, there is no, and there has not been any, outstanding indebtedness owing to the Company or any subsidiary of the Company by: (i) any director, executive officer or employee of the Company or any of its subsidiaries; (ii) any former director, executive officer or employee of the Company or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Company; (iv) any associate of any individual who is, or at any time during the Company's most recently completed financial year was, a director or executive officer of the Company; or (v) any associate of any proposed nominee for election as a director of the Company.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed director of the Company, or any of the associates or affiliates of those persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries, except as follows and as otherwise described in this Management Information Circular.

On 26 February, 2009, the Company announced the completion of the first stage of a two-part share exchange transaction (the "**Share Exchange Transaction**") pursuant to which the Company issued 26,097,230 Common Shares to Grafton for an aggregate value of approximately Cdn\$1,435,347 in exchange for 26,322 participating shares of Grafton of equivalent value (the "**First Share Exchange**"). The second part of the Share Exchange Transaction was completed on 17 April, 2009, after shareholder

approval was obtained at a special meeting of the Company's shareholders held on 27 March, 2009, pursuant to which the Company issued 82,993,679 Common Shares to Grafton for an aggregate value of approximately Cdn\$4,564,653 in exchange for 102,269 participating shares of Grafton of equivalent value (the "**Second Share Exchange**"). As a result of the completion of the Second Share Exchange, Grafton acquired and currently holds 109,090,909 Common Shares representing approximately 42.2% of the issued and outstanding Common Shares. As a result of First share Exchange, Grafton became entitled to nominate a director of its choice to the Board.

The Dragon Group ("**Dragon**"), which is beneficially owned by Anthony J. Williams Executive Chairman and a director of the Company, has provided to the Company support services and accommodation in London, England. During the most recently completed financial year the amount paid to Dragon for support services, accommodation and reimbursable expenses amounted to approximately US\$449,147.

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

No person who has been a director or executive officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Management Information Circular.

MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries (or private companies controlled by them, either directly or indirectly).

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Company's shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interests of its shareholders and contribute to effective and efficient decision making. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value. Set out below is a description of the corporate governance practices of the Company as required by National Instrument 58-101 ("**NI 58-101**") concerning corporate governance disclosure.

Disclosure of Corporate Governance Practices

Board of Directors

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Company. The Board of Directors is currently comprised of five (5) members. After the Meeting, assuming all directors and Mr. Cather are elected as directors, the Board will be comprised of six (6) directors.

In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors. Messrs. Anthony J. Williams and James T. Williams are

not considered independent directors as each of them is an executive officer of the Company. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. Messrs. Thomas A. Bailey and James A. Crombie are considered to be independent. Following his election to the Board Mr Cather would be considered to be independent. Details of directorships held by each director or nominee director in other public issuers are set out in Schedule "A" attached hereto.

The Board of Directors supervises the management of the business and affairs of the Company and is mandated to act with a view to the best interests of the Company. The Board of Directors reviews the business and affairs of the Company and makes any decisions relating thereto. The Board of Directors believes that it functions independently of management. The Board of Directors transacts business as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest.

Orientation and Education

The Company does not have a formal process of orientation for new directors. From time to time, corporate officers and legal, financial and other experts provide advice to the Board of Directors to describe matters in their areas of expertise.

Ethical Business Conduct

The Board of Directors has not yet adopted a written ethical business conduct code for directors, officers and employees of the Company. In circumstances where a director or executive officer has a material interest in a transaction or agreement into which the Company is considering entering, the individual is required to fully disclose his or her interest therein and an ad hoc committee of disinterested directors is appointed to review the same to confirm, among other things, that such transaction or agreement, as applicable, is being entered into on arm's length commercially reasonable terms. Such committee has the right to obtain advice from the Company's counsel and other professional advisors and/or appoint independent counsel and/or advisors.

Nomination of Directors

The Board of Directors has not appointed a formal nominating committee. However, any member of the Board of Directors is free to recommend additional members, as required, and the Board of Directors will consider such recommendations as a whole. Until a committee is formed, the Board of Directors as a whole will be responsible for assessing the effectiveness of the Board of Directors, the committees of the Board of Directors and the contribution of individual directors, taking into account the competencies and skills that the Board of Directors as a whole should possess as well as the competencies and skills that each director should possess.

Compensation

The Compensation Committee is currently composed of three members, being Messrs. Thomas A. Bailey, James S. Cable and James A. Crombie. Messrs. Thomas A. Bailey and James A. Crombie are considered to be independent. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. The Compensation Committee meets as required during the year to review the performance of the executive directors and senior executives and set the scale and structure of their remuneration and compensation packages, taking into account time commitment, comparative fees, risks and responsibilities, to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director or executive and makes adjustments as deemed necessary.

Board Committees

The Board of Directors currently has two (2) standing committees: the Audit Committee (described in detail below) and the Compensation Committee (described in detail above).

Assessments

Based upon the Company's size, its current state of development and the number of individuals on the Board of Directors, the Board of Directors considers a formal process for assessing regularly the effectiveness and contribution of the Board of Directors, as a whole, its committee or individual directors to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

AUDIT COMMITTEE

Multilateral Instrument 52-110 "Audit Committees" ("MI 52-110") requires the Company to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Charter

The Audit Committee is governed by its charter. A copy of the text of the Audit Committee's charter, established in accordance with MI 52-110, is included in Schedule "B" attached hereto.

Composition of the Audit Committee

Messrs. Thomas A. Bailey, James S. Cable and James A. Crombie are the current members of the Audit Committee. Messrs. Thomas A. Bailey and James A. Crombie are considered to be "independent" within the meaning of MI 52-110. James S. Cable is not considered to be independent by virtue of his previous position as an executive director. All members of the Audit Committee are "financially literate" within the meaning of MI 52-110. The Company is relying upon the exemption in Section 6.1 of MI 52-110 which provides that the Company, as a "venture issuer", is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

Education and Experience

Thomas A. Bailey qualified as a solicitor in 1975 and worked as an in-house lawyer for a number of years with Citibank and Chase Manhattan before returning to private practice to establish a law firm which, ultimately, became one of the top 500 law firms in London. Mr Bailey was the senior partner of his firm specialising in commercial law. Mr Bailey has for a number of years carried out consultancy work for various companies.

James S. Cable (the former Chief Financial Officer of the Company) is a Finance Director with extensive experience at board level in quoted and private companies. Mr. Cable has significant international and commercial experience gained in the Middle East, Africa, the Far East and Europe in several business sectors including oil and construction. Mr Cable is a fellow member of the Institute of Chartered Accountants in England and Wales and has more than 30 years qualifying experience. Mr. Cable is also a member of the Institute of Directors in London. Mr Cable is currently a director of Kopane Diamond Developments Plc, a London AIM listed mining company.

James A. Crombie holds a degree in Mining Engineering from the Royal School of Mines, London. As President, Chief Executive Officer and Director of Palmarejo Gold Corporation, he draws on over 24 years of mining experience including management in various gold and diamond projects and as Mining

Analyst, Investment Banker and Corporate Financier. Mr. Crombie is the President, Chief Executive Officer and a director of Reunion Gold Corporation, a mining company listed on the Toronto Stock Exchange (the “TSX”), was the President and Chief Executive Officer of Ariane Gold Corp., from May 2002 to November 2003 and was the Vice President, Corporate Development for Hope Bay Gold Corporation from February 1999 through May 2001, both mining companies being listed on the TSX. Prior to that, he was Mining Analyst/Corporate Finance Director with Yorkton Securities Inc. at the London office (U.K.) from 1991.

Save in respect of Mr. Bailey, each member of the Audit Committee has acted as a director or audit committee member of other public issuers in the past and as such obtained experience in performing his responsibilities as a member of the Company's Audit Committee. As well, each member of the Audit Committee is a senior-level businessman and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal controls and procedures for financial reporting. Given the scope and nature of the Company's business, its financial statements and the accounting issues arising therefrom are relatively uncomplicated. Based on the foregoing, it is the Board of Directors' conclusion that each of the members of the Audit Committee has an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice, tax planning or other non-audit services, such services must be pre approved by the Audit Committee.

Auditor Services Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the financial years ended 31 December, 2008 and 2007, for audit and non-audit related services:

Type of Work	Year Ended 31 December, 2008	Year Ended 31 December, 2007
Audit Fees ⁽¹⁾	US\$59,000	US\$72,000
Audit-Related Fees ⁽²⁾	NIL	NIL
Tax Fees ⁽³⁾	US\$8,000	US\$18,000
All Other Fees ⁽⁴⁾	NIL	NIL

Notes:

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit Fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.
- (4) Aggregate fees billed in respect of administration fees of the Canadian Public Accountability Board.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting of shareholders other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

ADDITIONAL INFORMATION

Financial information in respect of the Company is provided in the Company's audited Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended 31 December, 2008. Additional information relating to the Company is available on the Internet at www.sedar.com. To request copies of the Company's Financial Statements and related Management's Discussion and Analysis, please contact the Company at:

Arian Silver Corporation
Carlyle House,
235-237 Vauxhall Bridge Road
London SW1V 1EJ
England
Tel: +44 20 7963 8670
Fax: +44 20 7963 8674
Email: info@ariansilver.com

APPROVAL

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

DATED this 14th day of May, 2009.

ARIAN SILVER CORPORATION

(Signed) "*Graham A. Potts*"

Graham A. Potts
Corporate Secretary

SCHEDULE "A"

Name of Director	Name of Issuer
Anthony J. Williams	African Copper PLC
James T. Williams	N/A
James S. Cable	Kopane Diamond Developments Plc
Thomas A. Bailey	N/A
James A. Crombie	Reunion Gold Corporation Queensland Minerals Ltd. Odyssey Resources Limited
David C. Cather	N/A

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

ARIAN SILVER CORPORATION

**Incorporated under the BVI Business Companies Act, 2004
(BVI Company No. 1029783)**

Constitution

By resolution of the Board of Directors (the "**Board**") of Arian Silver Corporation (the "**Corporation**"), it has been agreed to establish a committee of the Board, to be called the Audit Committee (the "**Committee**"), to determine and apply policy on behalf of the Board to the financial reporting and internal control principles of the Corporation and for maintaining appropriate relationships with the Corporation's auditors.

Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities relating to the financial accounting and reporting process, its audit process, disclosure procedures and internal controls of the Corporation.

The Committee's primary duties and responsibilities are to:

- Review the annual and interim financial statements of the Corporation, management's discussion and analysis (the "**MD&A**") and report thereon to the Board for approval of, or amendment to, same;
- Conduct such reviews and discussions with management and the independent auditors of the Corporation (the "**Independent Auditors**") relating to the audit and financial reporting as deemed appropriate by the Committee;
- Review and approve all non-arms' length transactions involving the Corporation; and
- Monitor the independence and performance of the Independent Auditors.

It is not the responsibility of the Committee to determine that the Corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles or to plan or to conduct audits. The financial statements are the responsibility of management. The Independent Auditors are responsible for planning and conducting an audit and expressing an opinion on the fair presentation of the financial statements of the Corporation in accordance with generally accepted accounting principles.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or the Corporation's outside counsel, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall have unrestricted access to the Corporation's books and records and has the authority to retain, at the Corporation's expense, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties. The Chairman or other member of the

Committee so designated by the Committee may represent the Committee to the extent permitted by applicable legal and listing requirements.

Composition and Meetings

- a. Members of the Committee shall be appointed by the Board.
- b. The Audit Committee shall be comprised of at least three directors, one of whom shall serve as the Chair;
- c. A majority of the members of the Audit Committee shall be independent non-executive directors, free from any relationship that, in the opinion of the Board, could reasonably be expected to interfere with the exercise of his or her independence from management, the Corporation, the Independent Auditors or outside counsel. The definition of “independent” shall have the meaning ascribed thereto under applicable legislation;
- d. Notwithstanding the above, provided a majority of the Audit Committee is independent, an individual with a material relationship to the Corporation may sit on the Audit Committee for up to 2 years if, (a) such individual does not chair the Audit Committee, and, (b) the Board determines in its reasonable judgment that the individual is able to exercise impartial judgment and the appointment is in the best interests of the Corporation and its shareholders;
- e. All members of the Committee shall be, or within a reasonable time after appointment, shall become financially literate as determined by the Board, and at least one member of the Committee shall have accounting or related financial management expertise as determined by the Board. The Board shall determine the definition of and criteria for financial literacy which shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- f. The Committee shall meet, at the discretion of the Chair or a majority of its members but at least quarterly and as circumstances dictate or as may be required by applicable legal or listing requirements upon 48 hours notice, which notice period may be waived by a quorum of members of the Committee. A quorum shall be a majority of the members of the Committee. The Chief Executive Officer of the Corporation and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other directors who are not members of the Committee may be invited to attend all or any part of meetings of the Committee in an ex officio capacity and shall not vote.
- g. The Corporation's Corporate Secretary or their nominee shall act the Secretary of the Committee. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- h. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a majority of Committee members remains in office; and

- i. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
- j. A copy of the minutes of each meeting of the Committee shall be provided to each director.

To fulfill its responsibilities and mandates, the Committee shall review its mandate annually and make amendments thereto, as deemed appropriate.

Responsibilities

Financial Accounting, Reporting Process and Internal Controls

- a. The Committee shall review the annual audited financial statements, interim financial statements and earnings press releases of the Corporation and report thereon to the Board for approval of same prior to their being filed with the appropriate regulatory authorities and publicly dissemination. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so;
- b. The Committee shall review and challenge when necessary:
 - (i.) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Corporation/group;
 - (ii.) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (iii.) whether the Corporation has followed appropriate accounting standard and made appropriate estimates and judgments, taking into account the views of the Independent Auditors;
 - (iv.) the clarity of disclosure in the Corporation's financial reports and the context in which statements are made; and
 - (v.) all material information present with financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).
- c. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses;
- d. The Committee shall review the evaluation of internal controls by the Independent Auditors, together with management's response;

- e. The Committee shall review MD&A relating to annual and interim financial statements and any other public disclosure documents that (a) contain financial information extracted or derived from the Corporation's financial statements, or (b) are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities;
- f. The Committee shall routinely meet in camera with the Independent Auditors and independently to review the Corporation's accounting practices, internal controls, and risk management systems and such other matters as the Committee deems appropriate. ;
- g. The Committee shall monitor procedures pursuant to which individuals may submit complaints or report violations of applicable laws, rules, regulations or the Corporation's code of ethics in confidence. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Committee shall confirm that procedures exist to prevent retaliation, in any form, against any individual for complaints or reports made in good faith; and
- h. To perform such other functions as may from time to time be assigned to the committee by the Board.

Independent Auditors

- a. The Independent Auditors are directly accountable, and shall report, to the Committee. The Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Independent Auditors.
- b. The Committee's evaluation of the Independent Auditors shall include a determination of the Independent Auditor's independence and objectivity, as well as relevant UK professional and regulatory requirements and the relationship with the auditor as a whole.
- c. The Committee shall be responsible for overseeing the work of the Independent Auditors, and the Committee shall be responsible for resolving any disagreement between management and the Independent Auditors.
- d. The Committee shall annually recommend to the Board the nomination, appointment or re-appointment of the Independent Auditors, as the case may be, or, as appropriate, recommend the discharge or replacement of the Independent Auditors when circumstances warrant. The Committee shall recommend to the Board the compensation of the Independent Auditors.
- e. The Committee shall be responsible for ensuring that the Independent Auditors submit on a periodic basis to the Audit Committee a formal written statement delineating all relationships between the Independent Auditors and the Corporation. The Committee is responsible for discussing with the Independent Auditors any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditors and for recommending that the Board take appropriate action in response to the Independent Auditor's report to satisfy itself of the Independent Auditors' independence.
- f. The Committee shall review and pre-approve, in accordance with applicable law, any non-audit services (over \$25,000) to be provided to the Corporation by the Independent Auditor, with reference to compatibility of the service with the Independent Auditor's

independence. The Chairman has the authority to approve all such services, and has the responsibility to inform the Committee of all pre-approved services at its next meeting

- g. The Committee shall review the Independent Auditors' audit plan, including scope, procedures and timing of the audit.
- h. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.

Reporting

- a. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- b. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. At the Committee's discretion, it shall report to the Board.

Other Matters

The Committee shall:

- a. have access to sufficient resources in order to carry out its duties, including access to the Corporation's secretariat for assistance as required;
- b. be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
- c. give due consideration to applicable securities and corporate laws and regulations, the provisions of the Combined Code and the requirements of the AIM Market and the TSXV, as appropriate;
- d. at least once a year, review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Disclaimer as to the Committee's Responsibilities

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the financial accounting functions are being conducted effectively and that the corporation's financial reporting and disclosure objectives are being met and to enable the Committee to report thereon to the Board.

SCHEDULE "C"

ARIAN SILVER CORPORATION

**AMENDED AND RESTATED STOCK OPTION PLAN
(dated effective 1 December, 2006, as amended and restated 9 May, 2007)**

1. INTERPRETATION:

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "**Black Out Period**" means any period during which a policy of the Company prevents certain persons designated by such policy from trading in the securities of the Company;
- (b) "**Board**" means the board of directors of the Company;
- (c) "**Company**" means Arian Silver Corporation;
- (d) "**Consultant**" means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Company or a subsidiary has a contract for management or consulting services;
- (e) "**Eligible Person**" means, subject to all applicable laws, any employee, senior officer, director or Consultant of the Company or any Subsidiary, any personal holding corporation controlled by an officer or director of the Company or any Subsidiary or any Management Company Employee;
- (f) "**Exchange**" means the stock exchange or trading facility on which the Shares are listed or admitted to trading at the applicable date, and, if the Shares are listed or admitted to trading on more than one stock exchange or trading facilities, the "**Exchange**" means all of them collectively;
- (g) "**Insider**" shall have the meaning ascribed under Section 1(1) of the *Securities Act* (Ontario);
- (h) "**Investor Relations Activities**" has the meaning ascribed thereto under section 1.2 of TSX Venture Exchange Policy 1.1 *Interpretation*;
- (i) "**Management Company Employee**" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operations of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;
- (j) "**Option**" means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (k) "**Participant**" means Eligible Persons to whom Options have been granted;
- (l) "**Plan**" means this Amended and Restated Stock Option Plan of the Company;

- (m) “**Prior Plan**” means the stock option plans of Hard Asset Inc. dated May 7, 2004 and Arian Silver Corporation Limited dated February 1, 2006;
- (n) “**Shares**” means the common shares of the Company;
- (o) “**Subsidiary**” means any company that is a subsidiary of the Company as defined under Section 1(4) of the Securities Act (Ontario);
- (p) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person; and
- (q) “**Trading Day**” means any day on which the Exchange is open for trading.

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

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

2. PURPOSE:

The purpose of this Plan is to encourage ownership of the Shares by directors, officers and employees of the Company, and its Subsidiaries thereof, Consultants and Management Company Employees, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its Subsidiaries to attract and retain valued directors, officers, employees, Consultants and Management Company Employees.

3. ADMINISTRATION:

The Plan shall be administered by the Board. Subject to the limitations of the Plan, the Board shall have the authority:

- (a) to grant options to purchase Shares to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

4. SHARES SUBJECT TO THE PLAN:

The maximum number of Shares which may be reserved and set aside for issue under this Plan and which are subject to outstanding options granted under the Prior Plan shall not exceed 10% of the issued

Shares of the Company at the time of the stock option grant (on a non-diluted basis). The aggregate number of Shares which may be reserved for issuance to any one person under the Plan and which are subject to outstanding options granted under the Prior Plan must not exceed 5% of the issued Shares (determined at the date the Option was granted) in a 12 month period. The number of Shares granted to any one Consultant under the Plan and which are subject to outstanding options granted under the Prior Plan in a 12 month period must not exceed 2% of the issued Shares of the Company, calculated at the date the option was granted to the Consultant. The aggregate number of options granted to Eligible Persons employed to provide Investor Relations Activities under the Plan and which are subject to outstanding options granted under the Prior Plan must not exceed 2% of the issued Shares of the Company in any 12 month period, calculated at the date the Option was granted.

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

5. PARTICIPATION:

Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall be subject to the approval of such regulatory authorities as may have jurisdiction.

6. TERMS AND CONDITIONS OF OPTIONS:

The terms and conditions of each Option granted under the Plan shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Company and a Participant:

- (a) *Option Price*: The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the market price of the Shares at the time the Option is granted less the permissible discount permitted by the rules of the Exchange or other regulatory body having jurisdiction. The Board may fix the option price in any currency determined by the Board, provided that such option price be calculated on the basis of the applicable exchange rate relative to Canadian dollars, as determined by the Board, on the date of grant. For the purpose of this subparagraph 6(a), "market price" shall be deemed to be the closing price as reported by the principal Exchange (or, if the Shares are not so listed or admitted to trading, the average of the closing bid and asked prices as reported on any over-the-counter market) on the day immediately preceding the day upon which the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that (i) the date of grant of the Option shall be a future date determined in the manner specified in such resolution, in which case, for the purpose of this subparagraph 6(a), "market price" shall be deemed to be the weighted average trading price of the Shares as reported by the principal Exchange (or, if the Shares are not so listed or admitted to trading, the weighted average of the average of the closing bid and asked prices as reported on any over-the-counter market) for five (5) trading days preceding the date of the grant, and (ii) the date or dates of the vesting of the Option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the option price per share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.

- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid to the Company in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until such time as the Shares are issued to him.
- (c) *Term of Option:* Options will be exercisable in whole or in part, and from time to time, during the currency thereof, until the date of expiration specified in the agreement or the resolution granting such Option, as the case may be, provided that if the expiry date of an Option falls during or within three Trading Days of a Black Out Period, the expiry date for the Option will be automatically extended for an additional period expiring on the tenth Trading Day following the end of the Black Out Period. Notwithstanding the above, the maximum term during which an Option may be exercisable shall be the maximum term permitted by the rules of the Exchange from time to time. Each Option shall be subject to earlier termination as provided in subparagraph 6(g).
- (d) *Limitation on Grants:* Subject to the additional restrictions set out in Section 4, no more than 5% of the issued Shares of the Company may be granted to any one individual in any 12 month period, no more than 2% of the issued Shares of the Company may be granted to any one Consultant in any 12 month period and no more than an aggregate of 2% of the issued Shares of the Company may be granted to an employee conducting Investor Relations Activities, in any 12 month period;
- (e) *Representation of Company:* For stock options granted to Employees, Consultant or Management Company Employees, the Company represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
- (f) *Exercise of Option:* Subject to the provisions contained in subparagraph 6(g), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporate Secretary of the Company at its offices in London, United Kingdom of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased.
- (g) *Termination of Options:* Any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earlier of the following dates:
 - (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years (or such longer period as permitted by the rules of the Exchange from time to time) after the date upon which the Option was granted;
 - (ii) ninety (90) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant

was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;

- (iii) one hundred and eighty (180) days after the date of the death of the Participant during which period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death;
 - (iv) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 6(g)(iii) hereof and only to the extent therein set forth; and
 - (v) thirty (30) days after the date of a Participant who is engaged in Investor Relations Activities ceases to be employed by the Company to provide Investor Relations Activities.
- (h) *Non-transferability of Stock Option:* No Option shall be transferable or assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (i) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (j) *Shareholder approval:* Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.

- (k) *Vesting*: Options issued to Consultants performing Investor Relations Activities will vest as determined by the Board in stages over 12 months, with no more than $\frac{1}{4}$ of the Options vesting in any three month period.
- (l) *Hold Period*: All Options must be legended with a four (4) month hold period commencing on the date the Options are granted.

7. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN:

- (a) *Subdivisions and Redivisions*: In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions without the Participant making any additional payment or giving any other consideration therefor.
- (b) *Consolidations*: In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.
- (c) *Reclassifications/Changes*: In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.
- (d) *Other Capital Reorganizations*: In the event of any capital reorganization of the Company at any time while any Option is outstanding, not otherwise covered in this paragraph 7 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property of the entity resulting from such merger, amalgamation or consolidation to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, the Participant had been the registered holder of the number of Shares so subscribed for.
- (e) If the Company at any time while any Option is outstanding shall pay any stock dividend or stock dividends upon the Shares, the Company will thereafter deliver at the time of exercise

of any Option in addition to the number of Shares in respect of which such Option is then being exercised, such additional number of securities of the appropriate class as would have been payable on the Shares so purchased if such Shares had been outstanding on the record date for the payment of such stock dividend or dividends.

- (f) The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) If at any time the Company grants to its shareholders the right to subscribe for and purchase pro rata additional securities or of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) The adjustment in the number of Shares issuable pursuant to Options provided for in this paragraph shall be cumulative.
- (i) On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, *ipso facto*, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the exercise price thereof.

8. AMENDMENT AND TERMINATION OF PLAN AND OPTIONS:

Subject in all cases to the approval of all stock exchanges and regulatory authorities having jurisdiction over the affairs of the Company, the Board may from time to time amend or revise the terms of the Plan (or any Option granted thereunder) or may terminate the Plan (or any Option granted thereunder) at any time provided however that no such action shall, without the consent of the Participant, in any manner adversely affect a Participant's rights under any Option theretofore granted under the Plan. Any amendment or revision to an Option held by an Insider resulting in the reduction of the Option Price shall require shareholder approval, excluding for voting purposes such number of Shares held by Insiders.

9. EFFECTIVE DATE OF PLAN:

The Plan is dated with effect as of (i) December 1, 2006; and (ii) as restated and amended, May 9, 2007; such further restatement and amendment subject to the approval and ratification of the shareholders of the Company.