

CENTURY MINING CORPORATION

**2009
ANNUAL
AND SPECIAL
MEETING**

**Notice of Annual and Special Meeting of
Shareholders**

Management Information Circular

Place:

**The Vancouver Club, UBC Room
915 West Hastings Street, Vancouver
British Columbia, V6C 1C6**

Time:

11:00 a.m.

Date:

Wednesday, June 24, 2009

CENTURY MINING CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of shareholders of Century Mining Corporation (the "**Company**") will be held at The Vancouver Club, UBC Room, 915 West Hastings Street, Vancouver, British Columbia, V6C 1C6, on Wednesday, June 24, 2009, at 11:00 a.m. (Vancouver time), for the following purposes:

1. to receive the report of the President to the shareholders;
2. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2008 together with the report of the auditor thereon;
3. to elect directors;
4. to appoint the auditor, BDO Dunwoody LLP, Chartered Accountants, and to authorize the directors to fix the auditor's remuneration;
5. to consider and, if deemed advisable, to pass (with or without variation) an ordinary resolution re-approving and authorizing the Company's incentive stock option plan;
6. to consider and, if deemed advisable, to pass (with or without variation) a special resolution attached hereto as Appendix B, to amend the Articles of the Company to create a class of preferred shares that can be issued by the Board of Directors in series and to authorize the Board of Directors to set the terms and conditions of the preferred shares without further shareholder approval;
7. to consider and, if deemed advisable, to pass (with or without variation) a special resolution attached hereto as Appendix C (the "Transfer Resolution"), authorizing and approving the transfer by the Company of the Company's Lamaque Mine and related assets to a wholly-owned Canadian subsidiary of the Company and the assumption by the wholly-owned subsidiary of liabilities, if any, related to such assets selected by the board of directors of the Company, in order to facilitate the provision of security to the lenders under a proposed debt financing for the development of the Company's Lamaque Mine; and
8. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular which accompanies this Notice.

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

DATED at Blaine, Washington, this 29th day of May, 2009.

BY ORDER OF THE BOARD

(signed) *Margaret M. Kent*

MARGARET M. KENT
Chairman, President and CEO

CENTURY MINING CORPORATION

441 Peace Portal Drive

Blaine, WA 98230

MANAGEMENT INFORMATION CIRCULAR

(containing information as at May 29, 2009 unless otherwise indicated)

SOLICITATION OF PROXIES

This management information circular ("Circular") is furnished in connection with the solicitation of proxies by the management of Century Mining Corporation (the "Company") for use at the annual and special meeting of shareholders of the Company (and any adjournment thereof) to be held on Wednesday, June 24, 2009 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are the Chairman, President and Chief Executive Officer and Secretary, respectively, of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STROKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment thereof, or is delivered to the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the principal office of the Company, 441 Peace Portal Drive, Blaine, WA 98230 U.S.A., Attention: Richard Meschke, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY WILL, ON ANY POLL WHERE A CHOICE WITH RESPECT TO ANY MATTER TO BE ACTED UPON HAS BEEN SPECIFIED IN THE FORM OF PROXY, BE VOTED IN ACCORDANCE WITH THE SPECIFICATION MADE. SUCH SHARES WILL, ON A POLL, BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR FOR WHICH BOTH CHOICES HAVE BEEN SPECIFIED, BY THE SHAREHOLDER.

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital: an unlimited number of common shares without par value
Issued and Outstanding: 184,457,214 common shares without par value (as at May 29, 2009)

Only Shareholders of record holding common shares at the close of business on April 27, 2009 (the "**Record Date**"), a day which is 58 days prior to the date of the Meeting, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their common shares voted at the Meeting. As used herein, the term "**Shareholder**" refers only to registered holders of common shares of the Company.

On a show of hands, every individual who is present as a Shareholder or as a representative of a corporate Shareholder will have one vote (no matter how many shares such Shareholder holds). On a poll, every Shareholder present in person or represented by a proxy and every person who is a representative of a corporate Shareholder will have one vote for each common share registered in the name of the Shareholder on the list of Shareholders, which is available for inspection during normal business hours at Computershare Trust Company of Canada and at the Meeting. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

To the knowledge of the directors and officers of the Company, there are no persons or companies who beneficially own, directly or controlled or directed, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company except for:

Shareholder	# of Common Shares	Percentage of Voting Rights
CDS & Co.	125,511,308	68.0%
CEDE & Co.	28,522,248	15.5%

ADVICE TO BENEFICIAL SHAREHOLDERS

Only Shareholders, or proxyholders duly appointed by Shareholders, are permitted to vote at the Meeting. Shareholders who do not hold their shares in their own name (such shareholders being referred to herein as "**Beneficial Shareholders**") are advised that only proxies from Shareholders registered on the Record Date can be recognized and voted at the Meeting. If your common shares are listed in an account statement provided to you by a broker, then in almost all cases those common shares will not be registered in your name on the records of the Company and you are not a Shareholder. Such common shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the common shares registered in the name of CDS & Co. (or similar nominees) are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the form of proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of the Meeting unless the

Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to Shareholders. However, its purpose is limited to instructing the Shareholder which is the registered holder of such common shares how to vote those common shares on behalf of the Beneficial Shareholder. Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management proxyholders named in the form and insert the Beneficial Shareholder's name in the blank provided and return the proxy form to the intermediary/broker. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation and/or ADP Proxy Services ("**IICC/ADP**"). IICC/ADP typically uses a specific voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to IICC/ADP. IICC/ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of those common shares to be represented at the Meeting by IICC/ADP clients. **A Beneficial Shareholder receiving an IICC/ADP voting instruction form cannot use that proxy to vote its common shares directly at the Meeting – the voting instruction form must be returned to IICC/ADP well in advance of the Meeting in order to have the common shares voted.** It is also possible, in some cases, to submit voting instructions to IICC/ADP through the Internet.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

A. Election of Directors

The Articles of the Company provide that the board of directors of the Company (the "**Board of Directors**") will consist of a minimum of three and a maximum of ten directors. The Board of Directors presently consists of five directors and it is intended that five directors be elected for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director, however, should that occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the accompanying form of proxy have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director elected will hold office until the next annual meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Canada Business Corporations Act* (the "**CBCA**").

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation during the past five years, the period of time for which he or she has been a director of the Company, and the number of common shares of the Company beneficially owned by him or her, or controlled or directed, directly or indirectly, as at the date hereof.

<u>Name, Position and Municipality of Residence</u>	<u>Principal Occupation During the Past 5 Years</u>	<u>Director Since</u>	<u>Number of Shares⁽¹⁾</u>
Allen V. Ambrose ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Director</i> Spokane, Washington, USA	Consulting Geologist; President and Director – Minera Andes Inc. (public mineral exploration company)	June 2002	Nil
Ross F. Burns <i>Vice President, Exploration and Director</i> Bellingham, Washington, USA	From 2003, Vice President, Exploration – Century Mining Corporation; Member – Karst Investments LLC; From 2004, President and CEO – Tamerlane Ventures Inc.	January 2004	7,227,707

<u>Name, Position and Municipality of Residence</u>	<u>Principal Occupation During the Past 5 Years</u>	<u>Director Since</u>	<u>Number of Shares⁽¹⁾</u>
Margaret M. Kent ⁽⁶⁾ <i>Chairman, President, CEO and Director</i> Blaine, Washington, USA	From 2003, Chairman, President and CEO – Century Mining Corporation; Member – Karst Investments LLC; Chairman and CEO – Eden Roc Mineral Corp.; From 2004, Chairman – Tamerlane Ventures Inc., CFO – Tamerlane Ventures Inc.	October 2003	7,318,207
William J.V. Sheridan ⁽⁷⁾ <i>Secretary and Director</i> Toronto, Ontario, Canada	Partner – Lang Michener LLP (law firm)	October 2003	Nil
Ricardo M. Campoy ⁽²⁾⁽⁴⁾ <i>Director</i> Larchmont, NY, USA	Financial and corporate advisor. From 2004 to 2006, head of the Mining and Metals Group at WestLB AG. From 2000 to 2004, member and senior advisor at McFarland Dewey & Co., LLC	March 2007	9,050

Notes:

- (1) The information as to shares the directors beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Nominating Committee.
- (6) Ms. Kent is a director of Eden Roc Mineral Corp. In May 2002, a cease trade order was issued to Eden Roc for failure to file financial statements. In February 2002, Eden Roc's shares were suspended from trading on the TSX and in February 2003, Eden Roc was delisted from the TSX.
- (7) Until November 2006, Mr. Sheridan was a director of Eden Roc Mineral Corp. In May 2002, a cease trade order was issued to Eden Roc for failure to file financial statements. In February 2002, Eden Roc's shares were suspended from trading on the TSX and in February 2003, Eden Roc was delisted from the TSX.

B. Appointment of Auditor

The auditor of the Company, BDO Dunwoody LLP, Chartered Accountants was appointed auditor on December 5, 2008. The prior auditor, Deloitte & Touche LLP, Chartered Accountants, was auditor of the Company since February 3, 2006.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of BDO Dunwoody LLP, Chartered Accountants, as auditor of the Company, to hold such office until the close of the next annual meeting of the shareholders of the Company or until its successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor.

C. Approval of Incentive Stock Option Plan

Pursuant to Policy 4.4 of the TSX Venture Exchange ("TSXV") Corporate Finance Manual, all TSXV listed companies are required to adopt a stock option plan prior to granting incentive stock options. The Board of Directors of the Company has established such a plan (the "**Plan**"). The purpose of the Plan is to attract and motivate directors, officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options. The Company is currently listed on Tier 2 of the TSXV and has adopted a "rolling" stock option plan reserving for issuance pursuant to the grant and exercise of stock options a maximum of 10% of the issued shares of the Company from time to time. As at May 29, 2009, the Company had 184,457,214 common shares issued and outstanding and 6,984,750 incentive stock options outstanding, leaving a further 11,460,971 options to be granted under the Plan at such date.

The TSXV's Policy 4.4 and the terms of the Plan authorize the Board of Directors to grant stock options to optionees on the following terms:

1. The aggregate number of shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by Shareholders, may not exceed that number which is equal to 10% of the shares of the Company issued and outstanding from time to time.
2. The number of shares subject to each option will be determined by the Board of Directors, provided that the aggregate number of shares reserved for issuance pursuant to options granted to:
 - (a) Insiders during any 12 month period may not exceed 10% of the issued shares of the Company;
 - (b) any one individual during any 12 month period may not exceed 5% of the issued shares of the Company (unless the Company is a Tier 1 Issuer and disinterested shareholder approval has been obtained);
 - (c) any one Consultant during any 12 month period may not exceed 2% of the issued shares of the Company;
 - (d) any one person employed to provide investor relations activities during any 12 month period may not exceed 2% of the issued shares of the Company;in each case calculated as at the date of grant of the option, including all other shares under option to such person at that time.
3. The exercise price of an option may not be set at less than the minimum price permitted by the policies of the TSXV (presently \$0.10).
4. Options may be exercisable for a period of up to five years from the date of grant while the Company is listed on Tier 2 of the TSXV. Options may be granted with an exercise period of up to 10 years if the Company becomes listed on Tier 1 of the TSXV.
5. The options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible optionee (30 days in the case of a person engaged in investor relations activities) or, if the optionee dies, within one year from the date of the optionee's death.
6. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable if permitted under applicable corporate legislation.

Other than the number of shares reserved for issuance under the Plan, the terms of the Plan have not changed since the Shareholders re-approved the Plan at last year's annual and special meeting. A copy of the Plan is attached hereto as Appendix A and incorporated by reference into this Circular.

Pursuant to Policy 4.4 of the TSXV, as the Plan is a "rolling" stock option plan, it must be approved annually by Shareholders.

Accordingly, the Shareholders will be asked to pass an ordinary resolution (requiring 50% plus one of the votes cast) in substantially the following form, to approve the Plan:

"RESOLVED, as an ordinary resolution, that the Company's Incentive Stock Option Plan as described in and attached to the Company's management information circular dated May 29, 2009, and the grant of options thereunder in accordance therewith, be approved."

Management recommends shareholders vote "For" this resolution.

D. Amendment of the Articles of the Company to Create a Class of Preferred Shares

The Articles of the Company currently do not contain a provision whereby the Board of Directors is authorized to issue a class of preferred shares (“**Preferred Shares**”). The Board of Directors proposes and recommends that shareholders of the Company approve an amendment to the Articles of the Company authorizing the creation and issuance of an unlimited number of Preferred Shares. The amendment would also authorize the Board of Directors to act without further shareholder approval to set the terms and conditions of one or more series of Preferred Shares subject to the limitations of applicable law.

The Company’s ability to issue Preferred Shares will provide the Company with an additional means of raising capital from time to time. In the future, Preferred Shares could be issued at such prices, at such times, and in such amounts as the Board of Directors deems appropriate. Shares could be issued with or without voting rights and on terms that shareholders may consider to be not in the best interests of common shareholders. The Preferred Shares will rank senior to Common Shares.

The Board of Directors and Management have determined that creating Preferred Shares in accordance with the proposed amendment to the Articles of the Company is in the best interests of the Company to facilitate the raising of capital in the future.

By voting for the amendment proposed in this Circular, you are voting to create a class of Preferred Shares and to grant the Board of Directors authority to issue Preferred Shares on such terms and conditions as may be determined by the Board of Directors in its sole discretion, subject to the limitations of applicable law.

The special resolution approving the proposed amendment to the Articles of the Company (attached hereto as Appendix B) requires approval of at least two-thirds of the votes cast by Shareholders attending the Meeting in person or by proxy. Each Shareholder shall be entitled to one vote in person or by proxy for each Common Share held by him or her.

Management recommends that shareholders vote "For" this resolution.

E. Approval of Transfer of Lamaque Mine and Related Assets to a Wholly-Owned Canadian Subsidiary

In April, 2009, Union Securities Limited arranged a project financing package for the Lamaque Mine (as defined below). Union Securities Limited in conjunction with American Capital Commercial Lending Group arranged project debt financing for the Lamaque Mine from a syndicate of financial institutions in the amount of US\$65 million (the “**Project Debt Facility**”). On May 6, 2009, the Company received an underwriting commitment from the lenders for a \$65 million facility.

While the Company cannot provide assurance that the Project Debt Facility will close, the documentation for the financing is currently being prepared.

The Company plans to continue to work on exploration and development of the Lamaque Mine and expects funding to occur in the summer of 2009. Mining operations are expected to commence shortly thereafter and milling operations including gold production are expected to begin about four months later. It is currently expected that the Lamaque Mine will become cash flow positive within one year after start-up and that ultimately production from the underground mine will be at full capacity by late 2011. Project debt financing, whether is be the anticipated funding to be provided under the Project Debt Facility or such other project debt financing as arranged by the Company (such financing referred to herein as “**Project Debt Financing**”), is critical to the successful development of the Lamaque Mine.

In order to obtain Project Debt Financing to further the development of the Company’s Lamaque Mine, the Company may be required to provide security on the Lamaque Mine and related assets to lenders of Project Debt Financing (such lenders referred to herein as “**Project Lenders**”). In order to facilitate the provision of security in the Lamaque Mine and related assets to Project Lenders, the Company may be required to transfer all or some of the following assets and liabilities, if any, related to such assets selected by the Board of Directors (the “**Lamaque**

Mine Transfer") to a wholly-owned subsidiary of the Company incorporated under the CBCA (the "**Subsidiary Corporation**") in exchange for the issuance of shares in such Subsidiary Corporation:

- (i) the Lamaque Mine and related mining leases,
- (ii) all assets relating to the Lamaque Mine, including all agreements to which the Company is a party which pertain to the Lamaque Mine, all related plant, equipment and information and data relating to, and required for, the exploration, development and production of the Lamaque Mine,
- (iii) such other assets as the Board of Directors may determine, and
- (iv) the liabilities, if any, related to such assets selected by the Board of Directors,

(collectively, the "**Transferred Assets**").

As the Subsidiary Corporation is a wholly-owned subsidiary of the Company, if the transfer of the Transferred Assets becomes effective, the shareholders of the Company will continue to retain beneficial ownership of the Transferred Assets, indirectly through the Company. The Lamaque Mine Transfer will be effected pursuant to agreements containing standard terms and conditions respecting internal corporate reorganizations.

The actual transfer of the Transferred Assets is expected to occur simultaneously with the entering into of formal loan documentation for Project Debt Financing.

Action

Subsection 189(3) of the CBCA provides that a sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business of the corporation requires the approval of the corporation's shareholders. As the transfer of the Transferred Assets to the Subsidiary Corporation may meet this criterion, shareholders will be asked at the Meeting to consider, and, if deemed advisable, to authorize and approve by means of a special resolution (the "**Transfer Resolution**"), the Lamaque Mine Transfer.

The text of the Transfer Resolution is included as Appendix C to this Circular.

To be approved, the Transfer Resolution must be passed by at least two-thirds ($\frac{2}{3}$) of the votes cast by shareholders at the Meeting in respect of the Transfer Resolution. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE TRANSFER RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.** In the event the Transfer Resolution is not passed, the Lamaque Mine Transfer will not occur, the Lamaque Mine will be developed directly by the Company and the security that may be required to be granted to Project Lenders may, as a consequence, be more comprehensive and may limit the Company's future flexibility in dealing with its other assets that do not comprise the Transferred Assets or such financing may become unavailable. Union Securities Limited and the Company's legal counsel have also advised that financing through a special purpose entity, in this case the Subsidiary Corporation, is the standard structure for financing projects like the Lamaque Mine.

Management recommends that shareholders vote "For" this resolution.

Rights of Dissent

Section 190 of the CBCA provides that if a corporation resolves to sell, lease or exchange all or substantially all its property under subsection 189(3), shareholders may dissent.

Any Shareholder who dissents from the Transfer Resolution in compliance with section 190 of the CBCA (a "**Dissenting Shareholder**") will be entitled, in the event the Lamaque Mine Transfer becomes effective (such date, the "**Effective Date**"), to be paid the fair value of shares held by such Dissenting Shareholder determined as of the close of business on the day before the day the Transfer Resolution is adopted.

Section 190 of the CBCA provides that a Dissenting Shareholder may only make a claim under that section with respect to all of the shares of a class held by the Dissenting Shareholder on behalf of any one beneficial owner and

registered in the Dissenting Shareholder's name. **The consequences of this provision are that a registered Shareholder may exercise the dissent rights only in respect of shares that are registered in that Shareholder's name.**

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

A registered Shareholder who wishes to dissent must provide a notice of dissent (the "Dissent Notice") to the Company at 441 Peace Portal Drive, Blaine, Washington, 98230 U.S.A. (Attention: Richard Meschke) to be received not later than 5:00 p.m. (Vancouver time) on the day which is one Business Day immediately preceding the Meeting or any adjourned or postponed Meeting. Failure to strictly comply with these dissent procedures may result in the loss or unavailability of the right to dissent.

The filing of a Dissent Notice does not deprive a registered Shareholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a registered Shareholder who has submitted a Dissent Notice and who votes FOR the Transfer Resolution will no longer be considered a Dissenting Shareholder with respect to that class of securities voted FOR the Transfer Resolution, being the shares. The CBCA does not provide, and the Company will not assume, that a proxy submitted instructing the proxyholder to vote against the Transfer Resolution, a vote against the Transfer Resolution or an abstention constitutes a Dissent Notice, but a registered Shareholder need not vote its Shares against the Transfer Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote FOR the Transfer Resolution does not constitute a Dissent Notice. However, any proxy granted by a registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Transfer Resolution, should be validly revoked in order to prevent the proxyholder from voting such shares in favour of the Transfer Resolution and thereby causing the registered Shareholder to forfeit its Dissent Rights.

The Company (or its successor) is required, within ten days after Shareholders adopt the Transfer Resolution, to notify each Dissenting Shareholder that the Transfer Resolution has been adopted. Such notice is not required to be sent to any Shareholder who voted for the Transfer Resolution or who has withdrawn its Dissent Notice.

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

Under section 190 of the CBCA, after sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a Shareholder in respect of its Dissenting Shares other than the right to be paid the fair value of the Dissenting Shares, unless: (i) the Dissenting Shareholder withdraws its Dissent Notice before the Company makes an offer to pay (an "**Offer to Pay**") in accordance with section 190(12) of the CBCA, or (ii) the Company fails to make an Offer to Pay and the Dissenting Shareholder withdraws the Demand for Payment, in which case the Dissenting Shareholder's rights as a Shareholder will be reinstated.

The Company is required, not later than seven days after the later of the Effective Date or the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment an Offer to Pay for its Dissenting Shares in an amount considered by the Company to be the fair value of the shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. The Company must pay for the Dissenting Shares of a Dissenting Shareholder within ten days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Company does not receive an acceptance within 30 days after the Offer to Pay has been made.

If the Company fails to make an Offer to Pay for a Dissenting Shareholder's shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Company may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the shares of Dissenting Shareholders. If the Company fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

If the Company or a Dissenting Shareholder makes an application to court, the Company will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Shareholders who have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Company in favour of each Dissenting Shareholder for the amount of the fair value of its Dissenting Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

The foregoing is only a summary of the provisions of the CBCA regarding the rights of Dissenting Shareholders which are technical and complex. It is suggested that Shareholders review a complete copy of section 190 of the CBCA, attached hereto in Appendix D, and those Shareholders who wish to exercise Dissent Rights are advised to seek legal advice, as failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of their Dissent Rights.

STATEMENT OF EXECUTIVE COMPENSATION

A. Named Executive Officers

For the purposes of this 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 \$150,000, as determined in accordance with subsection 1.3(6) of form 51-102-F6, 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.

The Company currently has the following five NEOs: Margaret Kent, Chairman, President and Chief Executive Officer; Richard Meschke, Chief Financial Officer; Adrian McNutt, Vice President Operations; Ross Burns, Vice President Exploration; and David Swisher, Vice President and Project Director.

B. Compensation Discussion and Analysis

The Compensation Committee of the Company's board of directors is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Compensation plays an important role in achieving short- and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization by making long-term equity-based incentives, through the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Company's common share price over the long term is an important indicator of long-term performance.

The Company's compensation philosophy is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Company aligns the goals of executives with maximizing long-term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- To attract and retain highly qualified executive officers;
- To align the interests of executive officers with shareholders' interests and with the execution of the Company business strategy;
- To evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- To tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive. The Compensation Committee reviews compensation practices of similar situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Company, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration, development and production industry, prior to making decisions. These companies are used as the Company's primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. Such

comparative companies include Aurizon Mines, Jaguar Mining, Western Goldfields, Richmond Mines, Alamos Gold, Minefinders Corp. and San Gold. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Company in assessing compensation levels. These other companies are identified under the heading “Disclosure of Corporate Governance Practices – Directorships” on page 23 of this Information Circular. The purpose of this process is to:

- Understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- Identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- Establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee’s approval.

Aligning the Interests of the NEOs with the Interests of the Company’s Shareholders

The Company believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. The Company’s objective is to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value.

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2008 financial year, the three basic components of executive officer compensation program were:

- Fixed salary;
- Annual incentives (cash bonus); and
- Option-based compensation.

Fixed salary comprises a portion of the total cash-based compensation; however, annual incentives and option-based compensation represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Company’s common shares.

To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the board considers each performance target and the Company’s performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

The Compensation Committee and the board of directors approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group of companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company’s peer group is also accumulated from a number of external sources including independent consultants. The Compensation Committee, using this information together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels. The Company’s policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

Due to the Company’s financial condition, the Company did not award any increases in base salary to its NEOs in the financial year ended December 31, 2008.

Annual Incentives

To motivate executives to achieve short-term corporate goals, the NEOs participate in an annual incentive plan. Awards under the annual incentive plan are made by way of cash bonuses which are based in part on the Company's success in reaching its objectives and in part on individual performance. The Compensation Committee and the board of directors approve annual incentives.

The board of directors together with the Compensation Committee set certain individual and corporate performance objectives during the year. In 2008, the principal objectives included:

- Advancing development of the Lamaque underground mine in Québec towards production;
- Completing the feasibility study and raising finance to put the Lamaque underground mine into production;
- Continue rehabilitation and increase production at the San Juan Mine in Peru;
- Increasing reserves and resources on the Company's properties through exploration programs;
- Maintaining compliance with the regulatory and disclosure framework; and
- Increasing investor interest in, and analyst coverage with respect to, the Company.

The success of NEOs in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the board of directors with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full board for decision. The board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

Compensation and Measurements of Performance

The board of directors approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on an assessment of compensation levels within the Company's peer group and are then approved by the board of directors.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the board and the board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Before paying out annual incentives, the Compensation Committee and the board of directors considered all annual incentives carefully in light of the harsh economic climate that developed in late 2008 and its impact on the Company's ability to achieve its corporate objectives. In 2008, no annual incentives were paid to NEOs due to the financial condition of the Company.

Long-Term Compensation

The Company has a broadly-based employee stock option plan. The plan is designed to encourage share ownership and entrepreneurship on the part of senior management and other employees. The Compensation Committee believes that the plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

At the direction of the Compensation Committee, option grants to NEOs, directors and employees are determined based on each individual's position, level of responsibility (including committee responsibilities in the case of directors), the time commitment required of an optionee (in the case of directors and part time employees) and the tenure of the optionee. The Compensation Committee also considered levels of option grants for similar positions within the Company's peer group. Options are not scheduled for grant at any particular time, but are subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period.

All options granted during 2008 were recommended by the Compensation Committee. The Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value and the objectives set for the NEOs. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted, the Compensation Committee also makes the following determinations:

- The NEOs and others who are entitled to participate in the stock option plan;
- The exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of the grant;
- The date on which each option is granted;
- The vesting period for each stock option; and
- The other material terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provisions of the employee stock option plan.

C. Summary Compensation Table

The following table sets forth the compensation awarded, paid to or earned by the Company's NEOs in 2008.

NEO Name and Principal Position (a)	Year (b)	Salary (US\$) (c)	Option-based awards⁽¹⁾⁽²⁾ (\$) (e)	Non-equity incentive plan compensation (\$) Annual incentive plans (f1)	All other compensation (\$) (h)	Total compensation (salary, bonus, and option-based awards, including in- and out-of-the-money) (\$) (i)	Total compensation (not including the value of any option-based awards) (\$) (j)
Margaret Kent <i>Chairman, President and Chief Executive Officer</i>	2008	226,134	10,962	Nil	Nil	237,096	226,134
Richard Meschke <i>Chief Financial Officer</i>	2008	147,500	54,809	Nil	Nil	202,309	147,500
Adrian McNutt <i>Vice President Operations</i>	2008	175,000	Nil	Nil	Nil	175,000	175,000
David Swisher <i>Vice President and Project Director</i>	2008	133,750	Nil	Nil	Nil	133,750	133,750
Ross Burns <i>Vice President Exploration</i>	2008	120,000	10,962	Nil	Nil	130,962	120,000

- (1) The “grant date fair value” has been determined by using the Black-Scholes-Merton model. See discussion below.
- (2) All options shown were granted with an exercise price equal to the market price of the Company’s common shares on the date of grant or with an exercise price higher to such market price. Accordingly, the values shown for these options are not in-the-money value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-Merton option pricing formula. Notwithstanding the theoretical value of these options, many of them had a nil in-the-money value on December 31, 2008. Please see the table under “Incentive Plan Awards” for the in-the-money value of these options on December 31, 2008.

There were no share-based awards to NEOs.

The Company has calculated the “grant date fair value” amounts in column (e) using the Black-Scholes –Merton model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return.

Calculating the value of stock options using this methodology is very different from the simple “in-the-money” valuation calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes-Merton valuation, especially where, as in the case of the Company, the price of the common share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the total compensation amounts in column (i) above, which are based in part on the grant date fair value amounts set out in column (e) above. The total compensation listed in column (j) above has been included to reflect the total compensation of each NEO not including the value of any option-based awards. The value of the in-the-money options currently held by each NEO (based on share price less option exercise price) is set forth in column (e) of the “Outstanding Option-Based Awards” table below.

D. Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets out for each NEO, the incentive stock options (option-based awards) outstanding as at December 31, 2008. These incentive stock options vested at the time of grant for NEOs who are also directors of the Company (i.e. Margaret Kent and Ross Burns), or were vested according to the footnote to the table as at December 31, 2008. The closing price of the Company’s shares on the TSX Venture Exchange on December 31, 2008 was \$0.025.

Name (a)	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Options expiration date (m/d/y) (d)	Value of unexercised in-the-money options (\$) (e)
Margaret Kent	150,000 ⁽¹⁾	0.50	04/19/2009	Nil
	200,000 ⁽¹⁾	0.45	09/22/2009	Nil
	200,000 ⁽¹⁾	0.40	04/18/2010	Nil
	50,000 ⁽¹⁾	0.35	11/30/2010	Nil
	50,000 ⁽¹⁾	0.73	12/14/2011	Nil
	300,000 ⁽¹⁾	0.86	07/16/2012	Nil
	50,000 ⁽¹⁾	0.28	02/18/2013	Nil
Ross Burns	50,000 ⁽¹⁾	0.45	10/14/2009	Nil
	100,000 ⁽¹⁾	0.40	04/18/2010	Nil
	15,000 ⁽¹⁾	0.35	11/30/2010	Nil
	50,000 ⁽¹⁾	0.73	12/14/2011	Nil
	150,000 ⁽¹⁾	0.86	07/16/2012	Nil
	50,000 ⁽¹⁾	0.28	02/18/2013	Nil
Adrian McNutt	75,000 ⁽¹⁾	0.50	04/19/2009	Nil
	100,000 ⁽¹⁾	0.40	01/30/2010	Nil
	200,000 ⁽¹⁾	0.40	04/18/2010	Nil
	25,000 ⁽¹⁾	0.35	11/30/2010	Nil
	400,000 ⁽²⁾	0.86	07/16/2012	Nil
Richard Meschke	100,000 ⁽¹⁾	1.12	06/26/2011	Nil
	250,000 ⁽²⁾	0.28	02/18/2013	Nil
David Swisher	50,000 ⁽¹⁾	0.35	11/22/2010	Nil

- (1) Fully vested
- (2) One third vested

Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value of all incentive plan awards issued during the year ended December 31, 2008.

Name (a)	Option-based awards - Value vested during the year (\$) (b)	Non-equity incentive plan compensation - Value earned during the year (\$) (d)
Margaret Kent	Nil	Nil
Ross Burns	Nil	Nil
Adrian McNutt	Nil	Nil
Richard Meschke	Nil	Nil
David Swisher	Nil	Nil

The exercise price of options at the time of grant is set at or above the market price of the Company's common shares on the grant date. Accordingly, the in-the-money value of these incentive stock option grants at the time of vesting is nil.

E. Director Compensation

The following table describes director compensation for non-executive directors for the year ended December 31, 2008.

Name (a)	Fees earned ⁽¹⁾ (\$) (b)	Option-based awards ⁽²⁾⁽³⁾ (\$) (d)	All other compensation (\$) (g)	Total compensation (salary, bonus and option- based awards, including in- and out-of-the- money) (\$) (h)	Total compensation (not including the value of any option-based awards) (\$) (i)
Allen Ambrose	22,000	10,962	Nil	32,962	22,000
Ricardo Campoy	24,000	10,962	Nil	34,962	24,000
Donald Macdonald	14,000	10,962	Nil	24,962	14,000
William Sheridan	Nil	10,962	Nil	10,692	Nil
Mark Lettes ⁽⁴⁾	19,000	10,962	Nil	29,962	19,000

- (1) The table outlines the compensation paid for board and committee retainer fees, meeting fees and per diem fees as per the schedule below. Committee positions for each director are outlined on pages 5 and 24 of this Information Circular.
- (2) The "grant date fair value" has been determined by using the Black-Scholes-Merton model. See discussion below.
- (3) All options shown were granted with an exercise price equal to the market price of the Company's common shares on the date of grant or with an exercise price higher to such market price. Accordingly, the values shown for these options are not in-the-money value at the time of grant, but the theoretical value of the options at that time based on the Black-Scholes-Merton option pricing formula. Notwithstanding the theoretical value of these options, many of them had a nil in-the-money value on December 31, 2008. Please see the table under "Share Based Awards, option-based Awards and Non-Equity Plan Compensation" for the in-the-money value of these options on December 31, 2008.
- (4) Mr. Lettes resigned as a director on October 31, 2008.

In 2008, fees earned were not paid due to the Company's financial condition.

There were no share-based awards to directors.

The Company has calculated the “grant date fair value” amounts in column (d) using the Black-Scholes-Merton model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return.

Calculating the value of stock options using this methodology is very different from the simple “in-the-money” valuation calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes-Merton valuation, especially where, as in the case of the Company, the price of the common share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the total compensation amounts in column (h) above, which are based in part on the grant date fair value amounts set out in column (d) above. The total compensation listed in column (i) above has been included to reflect the total compensation of each director not including the value of any option-based awards. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in column (e) of the “Outstanding Option-Based Awards” table below

Option-based Awards to Directors

The following table sets out for each independent director the incentive stock options (option-based awards) outstanding as of December 31, 2008. These incentive stock options vested at the time of grant. The closing price of the Company’s shares on the TSX Venture Exchange on December 31, 2008 was \$0.025.

Name (a)	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Options expiration date (m/d/y) (d)	Value of unexercised in-the-money options (\$) (e)
Allen Ambrose	50,000 ⁽¹⁾	0.45	10/14/2009	Nil
	50,000 ⁽¹⁾	0.35	11/30/2010	Nil
	50,000 ⁽¹⁾	0.73	12/14/2011	Nil
	50,000 ⁽¹⁾	0.28	02/18/2013	Nil
Ricardo Campoy	50,000 ⁽¹⁾	0.92	05/21/2012	Nil
	50,000 ⁽¹⁾	0.28	02/18/2013	Nil
Mark Lettes ⁽²⁾	50,000 ⁽¹⁾	0.28	02/18/2013	Nil

(1) Fully vested

(2) Mr. Lettes resigned as a director on October 31, 2008

Schedule of Director Fees

The fees payable to the directors of the Company are for their service as directors and as members of committees of the board of directors as follows:

Board or Committee Name	Annual Retainer (\$)	Meeting Stipend (\$ per meeting)	Per Diem Fees (\$ per day)
Board of Directors	10,000	1,000	Nil
Audit Committee	5,000 (chair) 1,000 (member)	1,000 1,000	Nil
Governance Committee	2,000 (chair) 1,000 (member)	1,000 1,000	Nil
Compensation Committee	2,000 (chair) 1,000 (member)	1,000 1,000	Nil
Nominating Committee	2,000 (chair) 1,000 (member)	1,000 1,000	Nil

Note: A special fee of \$1,000 is paid for attendance at board or committee meetings where travel consists of more than five hours

Value Vested or Earned During the Year

Options granted to the independent directors of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Company's common shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.

Long Term Incentive Plan Awards

Long term incentive plan awards ("LTIP") means "any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one financial year whether performance is measured by reference to financial performance of the Company or an affiliate, or the price of the Company's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units". The Company did not grant any LTIPs during its most recently completed financial year.

Stock Appreciation Rights

Stock appreciation rights ("SARs") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company's shares. The Company did not grant any SARs to the Named Executive Officers during its most recently completed financial year.

Option Repricings

No stock options held by the Named Executive Officers or by any directors were repriced in the past fiscal year.

Pension Plans

The Company does not provide retirement benefits for directors or officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

A wholly-owned subsidiary of the Company, Century Mining (U.S.) Corporation ("**Century U.S.**") has an employment agreement with Ms. Margaret Kent, for renewable one-year terms, under which the Company has guaranteed the performance of all of the obligations of Century U.S. to Ms. Kent. Under the terms of the agreement, Ms. Kent receives an annual base salary of US\$226,134, which amount is subject to review every 12 months. Ms. Kent is also eligible for an annual bonus award of a maximum of 50% of her base salary based on achieving predetermined annual performance objectives set by the Board of Directors of Century U.S. In 2007, the life insurance benefit was increased from \$500,000 to \$1.0 million and the disability payment was increased from \$2,000 per month to \$5,000 per month. The agreement may be terminated by Century U.S. without cause upon 24 months prior written notice to Ms. Kent or in lieu of notice, by payment of all salary and benefits which would have accrued to Ms. Kent had the requisite notice been given. Should any person or group of related persons acting

jointly or in concert acquire greater than 30% of the outstanding common shares of Century U.S. or elect 40% or more of the Board of Century U.S., Ms. Kent has a six month option to terminate her employment agreement upon which she would receive two times her then current annual salary and the then present value of all benefits which would have accrued to her benefit during the period of 24 months immediately following the termination, including payment of her bonus.

Century U.S. has also entered into employment agreements with Richard Meschke, Adrian McNutt and Ross Burns, for renewable one-year terms, under which the Company has guaranteed the performance of all of the obligations of Century U.S. to these NEOs. Under the terms of the agreements, the NEOs receive an annual base salary, which amount is subject to review every 12 months. The NEOs are also eligible for an annual bonus award of a maximum of 30% of their base salary based on achieving predetermined annual performance objectives set by the Board of Directors of Century U.S. The agreements may be terminated by Century U.S. without cause upon 24 months prior written notice to the NEOs or in lieu of notice, by payment of all salary and benefits which would have accrued to the NEOs had the requisite notice been given. Should any person or group of related persons acting jointly or in concert acquire greater than 30% of the outstanding common shares of Century U.S. or elect 40% or more of the Board of Century U.S., the NEOs have a six month option to terminate their employment agreement upon which they would receive two times their then current annual salary and the then present value of all benefits which would have accrued to their benefit during the period of 24 months immediately following the termination, including payment of their bonus.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth, as at December 31, 2008, the equity compensation plans pursuant to which equity securities of the Company may be issued.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	6,178,000	\$0.62	10,729,260
Equity compensation plans not approved by securityholders	Nil	-	Nil
Total	6,178,000	\$0.62	10,729,260

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is, or at any time during the Company's last completed financial year was, a director or officer of the Company, a proposed nominee for election as a director of the Company or any associate of any such director, officer or proposed nominee: (i) was, at any time since the beginning of the financial year ended December 31, 2008, indebted to the Company or any of the Company's subsidiaries, or (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

CEASE TRADE ORDERS

On March 14, 2008 the Company received notice from the British Columbia Securities Commission (the "BCSC") that the BCSC had invoked a cease trade order with respect to the Company's shares as a result of inadequacies in the Company's NI 43-101 report filed for the Lamaque property and in the Company's financial reports for the third quarter of 2007. On March 20, 2008 the BCSC revoked the cease trade order and imposed a management cease

trade order, giving the Company time to comply with the issues cited in the cease trade order. All of those issues were resolved upon the filing of the revised Lamaque NI 43-101 report, the filing of the San Juan NI 43-101 report and the filing of the restated third quarter 2007 financial statements and Management's Discussion & Analysis. The management cease trade order remained in place until the filing of the audited financial statements and Management's Discussion & Analysis for the full year 2007 on June 24, 2008.

On May 4, 2009 the Company announced that the BCSC had granted the Company an extension for filing its annual financial statements and management's discussion and analysis for the year ended December 31, 2008 in response to the Company's request for a Management Cease Trade Order ("MCTO") filed with the BCSC on April 28, 2009. On May 22, 2009, the Company filed the above-mentioned reports. However, the MCTO remains in effect, with the consent of the Company, until the Company completes additional filings.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as set forth below or elsewhere in this Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or officers of the Company, a proposed management nominee for election as a director of the Company, any Shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the common shares of the Company nor an associate or affiliate of any of the foregoing persons had, since January 1, 2008 (being the commencement of the Company's last completed financial year), any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

The Company leases office space (at approximately US\$4,000/month) from a company equally owned by Ross Burns, Vice President of Exploration and by a family trust in which Margaret Kent, Chairman, President and CEO, serves as a trustee.

On September 17, 2008 the Company completed a \$200,000 convertible debenture with a 15%-coupon rate and an 18-month maturity. The lender, a director and officer of the Company, has the right to convert principal, but not interest, owing under the debenture into units of securities of the Company at a conversion price of \$0.05 per unit. Each unit will be comprised of one common share and one common share purchase warrant. Each conversion warrant will entitle the holder to acquire a further common share of the Company at an exercise price of \$0.10 per share expiring 18 months from the closing date. In the event that quarterly interest payments are not paid they will compound quarterly. At the option of the holder, interest may be paid in common shares at the greater of \$0.05 per share or at the prevailing market price immediately preceding the interest date due. The debenture is collateralized by a package of exploration properties. As at December 31, 2008 the accrued interest was \$8,447.

On November 12, 2008 the Company entered into an 8-month \$61,144 (US\$50,000) short-term note with a director and officer of the Company. The note bears interest at 12% and a one-time fee, payable at maturity, of 15% of the principal balance of the note. The repayment of the note is collateralized by a pledge of the shares of Century Mining Finance Corporation (a subsidiary of the Company). As at December 31, 2008 the accrued interest was \$4,205.

On December 2, 2008 the Company entered into a 4-month \$245,006 (US\$200,000) short-term note with a director and officer of the Company. The note bears interest at 15% and a one-time fee, payable at maturity, of 25% of the principal balance of the note. The note is collateralized by certain mining equipment. As at December 31, 2008 the accrued interest was \$7,935 and the one-time fee was \$61,144.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no person who has been a director or officer of the Company at any time since January 1, 2008, being the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the contingent interest of directors and senior officers of the Company with

respect to the re-approval of the Company's incentive stock option plan in which they may participate and receive stock options at the discretion of the Board of Directors.

MANAGEMENT CONTRACTS

The management functions of the Company are substantially performed by directors or senior officers of the Company and not to any substantial degree by any other person with whom the Company has contracted.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased, at its expense, directors' and officers' liability insurance policies to provide insurance against possible liabilities incurred by them in their capacity as directors and officers of the Company. The premium for these policies for the period from December 31, 2008 to December 31, 2009 is \$57,340. The policies provide coverage of up to \$5,000,000 per occurrence to a maximum of \$5,000,000 per annum, subject to a \$50,000 deductible for each claim payable by the Company (\$50,000 deductible for securities claims).

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and management of the Company believe that effective corporate governance is important to the prudent direction and operation of the Company and are committed to instituting and monitoring such policies, procedures, practices and structures as are necessary to ensure effective corporate governance so as to best serve the interests of all shareholders. In that regard, in November, 2005, the Board of Directors established a corporate governance committee. The current members of the Corporate Governance Committee are Allen Ambrose and Ricardo Campoy. The Company's corporate governance practices and policies are subject to ongoing review and refinement, having regard to changes within the Company and having regard to changes in applicable laws and regulatory policies and evolving best practices.

In June 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") became effective, requiring all Canadian companies to disclose their corporate governance practices in compliance with NI 58-101. Disclosure of the Company's corporate governance practices in accordance with NI 58-101 is outlined below.

Composition of the Board of Directors

The Board of Directors is currently composed of the following five directors: Allen Ambrose, Ross Burns, Margaret Kent, William Sheridan and Ricardo Campoy. All of the current directors will be presented for election at the Meeting.

Should all five individuals presented for election at the Meeting be elected, two of the five members of the Board (being Messrs. Ambrose and Campoy) will be "independent" directors. An independent director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment with respect to the Company. Mr. Burns, Vice President, Exploration of the Company, Ms. Kent, Chairman, President and Chief Executive Officer of the Company, and Mr. Sheridan, Secretary of the Company and partner, Lang Michener LLP, legal counsel to the Company, do not qualify as independent directors.

The Board believes that given Ms. Kent's detailed knowledge of the Company's operations and her many years of experience in the mining industry, she is the most appropriate individual to be Chair of the Company, set the agenda for meetings of the Board, ensure that adequate information is provided to the Board and chair the meetings. Individual directors are also able to submit particular matters for inclusion on the agenda at the Board meetings.

Mandate of the Board of Directors

The Board of Directors is responsible for the stewardship of the Company through consultation with the management of the Company. Any responsibility which is not delegated to management or to a committee of the Board remains with the Board. Frequency of Board meetings as well as the nature of agenda items change

depending on the state of the Company's affairs and in light of opportunities or risks which the Company faces. Board members are in frequent contact with one another and Board meetings were held as deemed necessary during 2008.

The Board of Directors met 9 times during 2008. Each director attended the following number of meetings in 2008.

<u>Director</u>	<u>Number of Meetings Attended</u>
Allen Ambrose	8 of 9
Ross Burns	9 of 9
Margaret Kent	9 of 9
William Sheridan	7 of 9
Donald Macdonald ⁽¹⁾	3 of 4
Ricardo Campoy	9 of 9
Dale Parker ⁽²⁾	1 of 2
Mark Lettes ⁽³⁾	4 of 5

⁽¹⁾ Mr. Macdonald did not stand for re-election as a director on June 27, 2008.

⁽²⁾ Mr. Parker resigned as a director effective February 1, 2008.

⁽³⁾ Mr. Lettes was appointed as a director on February 1, 2008 and resigned as a director on October 31, 2008.

Directorships

Certain current directors or director nominee(s) of the Company are also members of the boards of directors of other reporting issuers (or the equivalent) as set out below:

<u>Director</u>	<u>Reporting Issuer(s)</u>
Allen V. Ambrose	Minera Andes Inc. Caerus Gold Inc. Mexivada Mining Corp. Rockgate Capital Corp. Gold Port Resources Ltd. Stoneshield Capital Corp. Northrock Resources Inc. Butler Developments Corp.
Margaret M. Kent	Tamerlane Ventures Inc.
William J.V. Sheridan	Tamerlane Ventures Inc. Win-Eldrich Mines Limited
Ricardo M. Campoy	Kilgore Minerals Ltd. General Moly, Inc.

Orientation and Continuing Education

The Company has not adopted a formal orientation and education program for new directors. The Board believes that adoption of a formal program is not presently warranted given the size of the Company. However, all new directors are provided with background information on the Company, including an overview of its operations and are provided with the opportunity to meet with management of the Company and with other members of the Board

to discuss the Company's affairs. In addition, new directors are also given site visits to the Company's Sigma mine and milling operations.

Ethical Business Conduct

The Company has adopted a formal Code of Conduct for its directors, officers and employees (available on the Company's website at www.centurymining.com), however, the Company strives to promote honest and ethical conduct, the avoidance of conflicts of interest, full, fair, accurate and timely public disclosure and compliance with applicable laws. In the case of non-arm's length transactions or other circumstances where a member or members of the Board may have or appear to have a conflict of interest with the Company, prudent corporate practice dictates that the interested member(s) disclose their interest and refrain from voting on the issue and if necessary, a committee of independent directors may be struck to review and make recommendations with respect to the proposed transaction.

Nomination of Directors

The Board has appointed a committee of directors to be responsible for proposing to the Board new nominees for directors of the Company. Pursuant to the resignation of Mark Lettes on October 31, 2008, the Nominating Committee currently has one member, Allen Ambrose. Nominees are reviewed and must be approved by the Board as a whole.

Compensation

The Board has appointed a committee of directors to be responsible for determining the compensation for the Company's directors and officers. The members of the Compensation Committee are Allen Ambrose and Ricardo Campoy.

Directors are eligible to participate in the Company's stock option plan. See also "Compensation of Directors".

Compensation of the Company's officers is based upon industry standards and the Company's present stage of development. See also "Summary Compensation Table".

Committees of the Board of Directors

Currently, the only standing committees of the Board of Directors are the Audit Committee, the Corporate Governance Committee, the Nominating Committee and the Compensation Committee.

Assessments

The Corporate Governance Committee is responsible for:

- (i) reviewing, on an annual basis, the credentials of existing Board members to assess suitability for re-election;
- (ii) reviewing, on a periodic basis, the size of the Board and the various Board committees and making appropriate recommendations to the Board; and
- (iii) reviewing, on a periodic basis, the composition of the Board and various Board committees and making appropriate recommendations to the Board.

Pursuant to the resignation of Mark Lettes on October 31, 2008, Allen Ambrose is currently the only member of the Corporate Governance Committee.

Audit Committee

Charter

The Board of Directors adopted an audit committee charter on January 26, 2005. A copy of the Company's Audit Committee Charter is available on the Company's website at www.centurymining.com.

Composition of the Audit Committee

At various times during 2008 the Audit Committee comprised Donald Macdonald (until June 28, 2008 when he did not stand for re-election as a director), Allen Ambrose (from June 28, 2008), Ricardo Campoy and Mark Lettes (until his resignation as a director on October 31, 2008), each of whom is independent and financially literate.

Since 1991, Mr. Macdonald has been a member of audit committees of both Canadian and American corporations and Canadian income trusts.

Mr. Ambrose has been a member of the audit committee of a number of junior mining public companies.

Since 2006, Mr. Campoy has been a member of the audit committee of General Moly, Inc.

Mr. Lettes has been an audit committee member of Yukon Zinc Corporation and General Moly, Inc. since October 2006 and April 2007, respectively. He has a Master of Business Administration (Finance) and has completed additional post-graduate work in economics.

Pre-Approval Policies and Procedures

As set out in the Charter of the Audit Committee, the Audit Committee is responsible for pre-approving all non-audit services to be provided to the Company or its subsidiary entities by its independent auditor.

External Auditor Service Fees

Fees paid to the former auditor Deloitte & Touche LLP, Chartered Accountants for the years ended December 31, 2008 and December 31, 2007, are set out below.

Audit Fees

For audit fees, BDO Dunwoody LLP, Chartered Accountants and Deloitte & Touche LLP, Chartered Accountants billed the Company \$200,000 and \$157,500 for the years ended December 31, 2008 and December 31, 2007, respectively.

Audit Related Fees

For assurance and related services, BDO Dunwoody LLP, Chartered Accountants and Deloitte & Touche LLP, Chartered Accountants, billed the Company \$Nil and \$162,403 for the years ended December 31, 2008 and December 31, 2007, respectively. The fees in 2007 comprised the following items, which related to preparation of the Company's Information Circular for the Offer to Purchase Sulliden Exploration Inc.: \$53,000 to the Canadian Public Accountability Board, \$77,380 to review the second quarter interim financial statements and MD&A, and \$32,023 for translation services.

Tax Fees

For professional services rendered for tax compliance, tax advice and tax planning, BDO Dunwoody LLP, Chartered Accountants and Deloitte & Touche LLP, Chartered Accountants billed the Company \$Nil and \$Nil for the years ended December 31, 2008 and December 31, 2007, respectively.

All Other Fees

For products and services provided, other than the services reported under the above categories, BDO Dunwoody LLP, Chartered Accountants and Deloitte & Touche LLP, Chartered Accountants billed the Company \$Nil and \$1,855 for the years ended December 31, 2008 and December 31, 2007, respectively.

GENERAL

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

The contents and the sending of this Circular have been approved by the Board of Directors of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at *www.sedar.com* and on the Company's website and *www.centurymining.com*. Copies of the Company's Annual Report containing the audited consolidated financial statements for the year ended December 31, 2008, together with the accompanying report of the auditor and management's discussion and analysis thereof, are available to Shareholders upon written request to the Manager, Investor Relations of the Company at 441 Peace Portal Drive, Blaine, WA 98230. Financial information is also provided in the Company's comparative financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2008.

DATED at Blaine, Washington, the 29th day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Margaret M. Kent

Margaret M. Kent, Chairman, President and CEO

APPENDIX A

CENTURY MINING CORPORATION (the "Company")

INCENTIVE STOCK OPTION PLAN

1. Objectives

The Plan is intended as an incentive to enable the Company to:

- (a) attract and retain qualified directors, officers, employees and consultants of the Company and its Affiliates,
- (b) promote a proprietary interest in the Company and its Affiliates among its employees, officers, directors and consultants, and
- (c) stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. Definitions

As used in the Plan, the terms set forth below shall have the following respective meanings:

"**Affiliate**" has the meaning ascribed thereto in the Securities Act, as amended from time to time;

"**Associate**" has the meaning ascribed thereto in the Securities Act, as amended from time to time;

"**Board**" means the board of directors of the Company;

"**Committee**" means a committee of the Board that the Board may, in accordance with subsection 3.1, designate to administer the Plan and, until the establishment of such Committee, means the Board;

"**Consultant**" shall have the meaning set forth in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or superseded from time to time;

"**Company**" means Century Mining Corporation, a company continued under the *Canada Business Corporations Act* and its successor corporations;

"**Director**" means a member of the Board;

"**Employees**" means "employees" as defined in British Columbia Securities Commission Instrument 45-507, as may be amended or superseded from time to time;

"**Insider**" in relation to the Company means (a) an insider as defined under the Securities Act, other than a person who falls within that definition solely by virtue of being a director or Senior Officer of a Subsidiary of the Company, and (b) an Associate of any person who is an Insider by virtue of (a);

"**Investor Relations Activities**" means "investor relations activities" as defined in the TSXV Corporate Finance Manual, as may be amended or superseded from time to time;

"**Management Company Employee**" means an Employee who is employed by a person providing management services to the Company or an Affiliate of the Company (not including promotional or investor relations services);

"**Non-Employee Director**" means a director of the Company or of an Affiliate of the Company who is not an Employee or a Senior Officer;

"**Option**" means an option to purchase Shares granted under or subject to the terms of the Plan;

"**Option Agreement**" means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;

"**Option Period**" means the period for which an Option is granted;

"**Optioned Shares**" means the Shares for which an Option is or may become exercisable;

"**Optionee**" means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

"**Outstanding Issue**", for the purposes of the Plan, is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance or Option grant in question, excluding Shares issued pursuant to the exercise of the Options or under the Company's other share compensation arrangements during the one-year period preceding the determination;

"**Plan**" means this Incentive Stock Option Plan of the Company;

"**Securities Act**" means the *Securities Act* (Ontario), as amended from time to time;

"**Senior Officer**" has the meaning ascribed thereto in the Securities Act;

"**Shares**" means the common shares without par value in the capital stock of the Company as the same are presently constituted; and

"**TSXV**" means the TSX Venture Exchange or any successor thereto; provided that if the Shares are or become listed on a senior stock exchange, then reference to "TSXV" means a reference to such senior stock exchange.

3. Administration of the Plan

3.1 The Plan will be administered by a Committee of two or more Directors who may be designated from time to time to serve as the Committee for the Plan, all of the sitting members of which shall be current Directors. Notwithstanding the existence of any such Committee, the Board itself will retain independent and concurrent power to undertake any action hereunder delegated to the Committee, whether with respect to the Plan as a whole or with respect to individual Options granted or to be granted under the Plan.

3.2 Subject to the limitations of the Plan, the Committee shall have full power to grant Options, to determine the terms, limitations, restrictions and conditions respecting such Options and to settle, execute and deliver Option Agreements and bind the Company accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper and to reserve, allot, fix the price of and issue Shares pursuant to the grant and exercise of Options, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan.

3.3 Notwithstanding any provision of this Plan, the Committee may, in its discretion grant Options as it sees fit, or otherwise, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either:

- (a) not adverse to the Optionee holding such Option; or
- (b) consented to by such Optionee;

and, subject to any required approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the Option Period of an outstanding Option.

3.4 The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any other member of the Committee or by any officer of the Company, in connection with the performance of any duties under the Plan, except those which arise from such member's own willful misconduct or as expressly provided by statute.

3.5 The Company shall pay all administrative costs of the Plan.

4. Eligibility for Options

4.1 Options may be granted to Employees, Senior Officers, Directors, Non-Employee Directors, Management Company Employees and Consultants of the Company and its Affiliates who are, in the opinion of the Committee, in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates, are in the opinion of the Committee, worthy of special recognition. Except as may be otherwise set out in this Plan, the granting of Options is entirely discretionary. Nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and the designation of any Optionee in any year or at any time shall not require the designation of such person to receive an Option in any other year or at any other time. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amounts and terms of their respective Options.

4.2 If all Optionee who is granted an Option is an Employee, Management Company Employee or Consultant of the Company or any of its Affiliates, the Option Agreement pertaining to such Option shall contain a representation by both the Company and the Optionee that the Optionee is a bona fide Employee, Management Company Employee or Consultant of the Company or its Affiliates.

4.3 Subject to the acceptance of this Plan for filing by the TSXV, any options over securities of the Company previously granted by the Company which remain outstanding as at May 20, 2003, will be deemed to have been issued under and will be governed by the terms of the Plan provided that, in the event of inconsistency between the terms of the agreements governing such options previously granted and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of such options granted previously will be included for the purpose of calculating the amounts set out in subsection 5.1 hereof.

4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding Options granted by the Company or any predecessor Company thereof or any Affiliate thereof, whether such outstanding options were granted under the Plan, under any other stock option plan of the Company or any predecessor Company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor Company or Affiliate thereof.

4.5 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of one or more other companies in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other companies the Company or any of its Affiliates.

5. Number of Shares Reserved under the Plan

5.1 The number of Shares that may be reserved for issuance under the Plan, is limited as follows:

- (a) the maximum aggregate number of Shares issuable pursuant to the exercise of Options granted under the Plan shall be a maximum of TEN (10%) PERCENT of the issued and outstanding Shares at the date of grant (including Shares issuable upon the exercise of outstanding stock options as at May 20, 2003, referred to in subsection 4.3 hereof), provided that:
 - (i) if any Option subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason whatsoever (other than by reason of the exercise thereof), then the maximum number of Shares for which Options may be granted hereunder shall be increased by the number of Shares which were the subject of such forfeited, expired, terminated or cancelled Options;
 - (ii) such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares; and
- (b) if and for so long as the Shares are listed on the TSXV:
 - (i) the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to Insiders in any twelve (12) month period shall not exceed ten (10%) percent of the issued and outstanding number of Shares;
 - (ii) the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to any one Consultant in any twelve (12) month period shall not exceed two (2%) percent of the issued and outstanding number of Shares, and
 - (iii) the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to any one person who is employed in Investor Relations Activities shall not exceed, in any twelve (12) month period, two (2%) percent of the issued and outstanding number of Shares at the time of grant.

6. Number of Optioned Shares per Option

- 6.1 Unless the Company is classified as a "Tier 1" issuer on the TSXV and the Plan has been approved by the "disinterested shareholders" (as defined in the TSXV Corporate Finance Manual) of the Company, the total number of Shares reserved for issuance to any one individual pursuant to Options or any other share compensation arrangements of the Company in any twelve (12) month period shall not exceed five (5%) percent of the number of issued and outstanding Shares from time to time.
- 6.2 Subject always to the limitations in subsections 5.1 and 6.1, the number of Optioned Shares under an Option shall be determined by the Committee, in its discretion, at the time such Option is granted, taking into consideration the Optionee's present and potential contribution to the success of the Company and taking into account all other Options then held by such Optionee.

7. Price

- 7.1 The exercise price per Optioned Share under an Option shall be determined by the Committee, in its discretion, at the time such Option is granted, but such price shall be fixed in compliance with the applicable provisions of the TSXV Corporate Finance Manual in force at the time of grant and, in any event, shall not be less than the closing price of the Shares on the TSXV on the trading day immediately preceding the day on which the Option is granted (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used), in each case less up to the maximum discount permitted by the TSXV (the "Discounted Market Price"). The exercise price at which, and the number of optioned securities for which,

an outstanding Option may be exercised following a subdivision or consolidation of the Shares shall be subject to adjustment in accordance with section 11.

- 7.2 The exercise price per Optioned Share under an Option may be reduced at the discretion of the Committee if:
- (a) at least six (6) months has elapsed since the later of the date such Option was granted and the date the exercise price for such Option was last amended; and
 - (b) disinterested shareholder approval is obtained for any reduction in the exercise price under an Option held by an Insider of the Company;

Provided that if the exercise price is reduced to the Discounted Market Price, the TSXV four (4) month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made under subsection 5.1 (a)(ii).

8. Option Period and Exercise of Options

- 8.1 The Option Period for an Option shall be determined by the Committee at the time the Option is granted and may be up to ten (10) years from the date the Option is granted, unless the Company is then classified as a "Tier 2" issuer by the TSXV, in which case the maximum Option Period shall be five (5) years from the date the Option is granted. At the time an Option is granted, the Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 10.1 there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum Option Period provided for in this subsection 8.1 and subject to applicable regulatory requirements and approvals, the Committee may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider). If and so long as the Company is classified as a "Tier 2" issuer by the TSXV, the following restrictions shall apply:
- (a) Options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within ninety (90) days after the Optionee ceases to be in at least one of those categories; and
 - (b) Options granted to an Optionee who is engaged in Investor Relations Activities must expire within thirty (30) days after the Optionee ceases to be employed to provide Investor Relations Activities.
- 8.2 The Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in installments.
- 8.3 If there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares, then the Board may, in its sole and absolute discretion and if permitted by applicable legislation, unilaterally determine that outstanding Options, whether fully vested and exercisable or subject to vesting provisions or other limitations on exercise, shall be conditionally exercisable in full to enable the Optioned Shares subject to such Options to be conditionally issued and tendered to such bid or offer, subject to the condition that if the bid or offer is not duly completed the exercise of such Options and the issue of such Shares will be rescinded and nullified and the Options, including any vesting provisions or other limitations on exercise which were in effect will be re-instated.
- 8.4 The vested portions of Options will be exercisable, in whole or in part, at any time after vesting. If an Option is exercised for fewer than all of the Optioned Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Optioned Shares for which the Option has then vested, according to the terms of such Option.

8.5 The exercise of any Option will be contingent upon receipt by the Company of payment in full for the exercise price of the Shares being purchased in cash by way of certified cheque or bank draft. Neither an Optionee nor the legal representatives, legatees or distributees of such Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issuable to the Optionee or such other persons pursuant to the Option or the Plan.

9. Stock Option Agreement

9.1 Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Optioned Shares subject to the Option, the Option Period and, if applicable, the vesting schedule for the Option, and incorporating the terms and conditions of the Plan and any other requirements of regulatory authorities and stock exchanges having jurisdiction over the securities of the Company, together with such other terms and conditions as the Committee may determine in accordance with the Plan.

10. Effect of Termination of Employment or Death

10.1 An Outstanding Option shall remain in full force and effect and exercisable according to its terms for the Option Period notwithstanding that the holder of such Option ceases to be a Director, Employee, Senior Officer or Consultant of the Company for any reason, including death, subject always to any express term in any Option Agreement made pursuant to subsection 8.1 which provides that upon the occurrence of one of such events there shall come into force a time limit for exercise of such Option which is different than the Option Period. So long as the Shares are listed on the TSXV (unless otherwise permitted by the TSXV) the maximum period within which the heirs or administrators of a deceased Optionee may exercise any portion of an outstanding Option is one (1) year from the date of death or the balance of the Option Period, whichever ever is earlier.

10.2 In the event of the death of an Optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such Optionee's rights under the Option shall have passed under the Optionee's will or pursuant to law.

11. Adjustment in Shares Subject to the Plan

11.1 Following the date an Option is granted, the exercise price for and the number of Optioned Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the events and in accordance with the provisions and rules set out in this section 11, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved notwithstanding the occurrence of such events. The Committee will conclusively determine any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules, and any such determination will be binding on the Company, the Optionee and all other affected parties.

11.2 The number of Optioned Shares to be issued on the exercise of an Option shall be adjusted from time to time to account for each dividend of Shares (other than a dividend in lieu of cash dividends paid in the ordinary course), so that upon exercise of the Option for an Optioned Share the Optionee shall receive, in addition to such Optioned Share, an additional number of Shares ("Additional Shares"), at no further cost, to adjust for each such dividend of Shares. The adjustment shall take into account every dividend of Shares that occurs between the date of the grant of the Option and the date of exercise of the Option for Such Optioned Share. If there has been more than one such dividend, the adjustment shall also take into account that the dividends that are later in time would have been distributed not only on the Optioned Share had it been outstanding, but also on all Additional Shares which would have been outstanding as a result of previous dividends.

11.3 If the Outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another Company or entity, whether through an

arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Optioned Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of the Company or other Company into which such Option Share would have been changed or for which such Option Share would have been exchanged if it had been outstanding on the date of such event.

- 11.4 If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another Company or entity, in a manner other than as specified in subsections 11.2 or 11.3, then the Committee, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Committee in its sole and absolute discretion determines to be equitable to give effect to the principle described in subsection 11.1, and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.
- 11.5 If the Company distributes, by way of a dividend or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price under any outstanding Option or in the number(s) of Optioned Shares subject to any such Option, or both, such adjustment may be made by the Committee and shall be effective and binding on the Company and the Optionee for all purposes.
- 11.6 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 11.7 The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

12. Non-Assignability

- 12.1 Neither the Options nor the benefits and rights of any Optionee under any Option or under the Plan shall be assignable or otherwise transferable, except as specifically provided in subsection 10.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

13. Employment

- 13.1 Nothing contained in the Plan shall confer upon any Optionee, or any person employing a Management Company Optionee, any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or the services of any such person at any time. Participation in the Plan by an Optionee is voluntary.

14. Regulatory Acceptances

- 14.1 The Plan is subject to the acceptance of the Plan for filing by the TSXV, and the Committee is authorized to amend the Plan from time to time in order to comply with any changes required from time to time by such applicable regulatory authorities, whether as conditions to the acceptance for filing of the Plan or otherwise, provided that no such amendment will in any way derogate from the rights held by Optionees holding Options (vested or unvested) at the time thereof without the consent of such Optionees.

- 14.2 The obligation of the Company to issue and deliver Optioned Shares pursuant to the exercise of any Options granted under the Plan is subject to the acceptance of the Plan for filing by the TSXV. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Company to issue such Optioned Shares shall terminate and any amounts paid to the Company for such Optioned Shares shall be returned to the Optionee forthwith without interest or deduction.

15. Securities Regulation and Tax Withholding

- 15.1 Where necessary to enable the Company to use an exemption from requirements to register Optioned Shares or file a prospectus or use a registered dealer to distribute Optioned Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Optioned Shares by the exercise of Options and as a condition to such exercise, shall provide to the Committee such evidence as the Committee requires to demonstrate that the Optionee or recipient will acquire such Optioned Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, including an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Optioned Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient shall be bound by such restrictions. The Committee also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Option Shares under any securities laws applicable to the securities of the Company.
- 15.2 For all purposes of the Plan, the Committee and the Company may take all such measures as they deem appropriate or necessary to comply with applicable laws, including income tax laws and securities laws and regulations, as well as the rules of regulatory authorities having jurisdiction over the Company or in respect of the securities of the Company. Without limitation to the foregoing, the Committee and the Company may withhold and remit to tax authorities such sums which might otherwise be due or accruing due by the Company to an Optionee, if such withholding and remittance are required under applicable income tax laws in connection with the grant or exercise of the Optionee's Options.
- 15.3 Issuance, transfer or delivery of certificates for Optioned Shares acquired pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

16. Amendment and Termination of Plan

- 16.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to acceptance of such amendment or amended Plan for filing by the TSXV and, where required by the TSXV, the approval of the shareholders of the Company.

17. No Representation or Warranty

- 17.1 The Company makes no representation or warranty as to the future market value of any Shares or Optioned Shares.

18. General Provisions

- 18.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements (subject to shareholder approval if such approval is required by TSXV) and such arrangements may be either generally applicable or applicable only in specific cases.

- 18.2 The validity, construction and effect of the Plan, the grants of Options, the issue of Option Shares, any rules and regulations relating to the Plan any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 18.3 If any provision of the Plan or any Option Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person, or Option and the remainder of the Plan and any such Option Agreement shall remain in full force and effect.
- 18.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.
- 18.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

19. Term of the Plan

- 19.1 The Plan shall be effective as of May 20, 2003, subject to its approval by the shareholders of the Company and acceptance for filing by the TSXV pursuant to section 14.
- 19.2 The Plan shall be effective until May 20, 2013 unless the Plan is earlier terminated by the Board pursuant to section 16, and no Option shall be granted under the Plan after that date. Unless otherwise expressly provided in the Plan or in an applicable Option Agreement, the Option Period for any Option granted hereunder will, and any authority of the Board to amend, alter, adjust, suspend, discontinue or terminate any such Option or to waive any conditions or rights under any such Option shall, continue after termination of the Plan on May 20, 2013 or any earlier termination date of the Plan, notwithstanding such termination.

Adopted by the Board: May 20, 2003

Accepted for filing by the TSXV: August 27, 2003

Approved by the Shareholders: June 30, 2004

APPENDIX B

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CENTURY MINING CORPORATION (the "Company")

BE IT RESOLVED as a special resolution that the articles of the Company be amended as follows:

1. the authorized share capital of the Company be altered by creating an unlimited number of preference shares ("**Preferred Shares**"), issuable in series and to authorize the directors of the Company to determine the rights, privileges, restrictions and conditions of one or more series of Preferred Shares without further approval of the shareholders of the Company, subject to the limitations of applicable law; and
2. any one director or officer of the Company be and is hereby authorized to execute and deliver all such documents and instruments and to do such further acts as may be necessary to give full effect to this special resolution at such time as the directors may determine, provided that the directors may in their sole discretion revoke this special resolution before it is acted on without further approval of the shareholders of the Company.

APPENDIX C

SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CENTURY MINING CORPORATION (the "Company")

BE IT RESOLVED as a special resolution that:

1. the Company is authorized to transfer all or some of the following assets and liabilities of the Company:
 - (i) the Lamaque Mine and related mining leases,
 - (ii) all assets relating to the Lamaque Mine, including all agreements to which the Company is a party which pertain to the Lamaque Mine, all related plant, equipment and information and data relating to, and required for, the exploration, development and production of the Lamaque Mine,
 - (iii) such other assets as the Board of Directors may determine, and
 - (iv) the liabilities, if any, related to such assets selected by the Board of Directors,(collectively, the "**Transferred Assets**"), to a wholly-owned subsidiary of the Company incorporated under the CBCA; and
2. any one director or officer of the Company be and is hereby authorized to execute and deliver all such documents and instruments and to do such further acts as may be necessary to give full effect to this special resolution at such time as the directors may determine.

APPENDIX D

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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