

NAUTILUS MINERALS INC.
Suite 1050, 625 Howe Street
Vancouver, British Columbia V6C 2T6

INFORMATION CIRCULAR

(As at June 21, 2011, except as indicated)

Nautilus Minerals Inc. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on Tuesday, July 26, 2011 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact with shareholders. The Company will pay the cost of solicitation.

This Information Circular contains references to United States dollars, Australian dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, Australian dollars are referred to as "A\$", and Canadian dollars are referred to as "C\$".

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "Nominee"). If you purchased your shares through a broker, you are likely an unregistered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Company to forward meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Nominees to revoke the proxy on their behalf.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 155,769,884 shares are issued and outstanding as of June 21, 2011. Persons who are registered shareholders at the close of business on June 21, 2011 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all shares of the Company except as listed below:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
Metalloinvest Holding (Cyprus) Limited	32,708,799	21.0%
Anglo American Exploration Luxembourg	17,267,036	11.1%

ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Company's board of directors has two committees, the Audit Committee and the Nomination and Remuneration Committee. Membership of each committee is as set out in the table below.

In accordance with the Company's Articles, the directors have fixed the number of directors of the Company at six (6). Management of the Company proposes to nominate each of the following persons for election as a Director. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director (Date first elected or appointed)</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽³⁾</i>
Stephen Rogers Queensland, Australia President, CEO and Director	President, Chief Executive Officer and Director of the Company since June 4, 2008; Chief Development Officer of the Company since January 2007	June 4, 2008	25,000
A. Geoffrey Loudon⁽²⁾ New Zealand Chairman and Director	Director of Auriferous Mining Limited, a British Virgin Islands company from 1995 to present.	May 4, 2006	1,535,175 ⁽⁴⁾
David De Witt⁽²⁾ British Columbia, Canada Director	President of Pathway Capital Ltd., a private venture capital company from October 2004 to present.	May 4, 2006	324,437

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director (Date first elected or appointed)</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽³⁾</i>
Russell Debney ⁽¹⁾⁽²⁾ New South Wales, Australia Director	Lawyer. Chief Executive Officer of Direct Nickel Pty Limited, a privately owned company developing process technology for the nickel laterite industry.	May 4, 2006	478,300
Matthew Hammond ⁽¹⁾ United Arab Emirates Director	Group Strategist of Metalloinvest Holdings from 2008 to present. Director at Credit Suisse from 1997 to 2008	October 2, 2009	Nil
Cynthia Thomas ⁽¹⁾ Illinois, USA Director	Principal of Conseil Advisory Services Inc., a financial advisory specializing in the natural resource sector, since 2000. Director of the Mining Group, Investment Banking at ScotiaMcLeod Inc. from 1997 to 1999 and prior thereto acted in various capacities in corporate banking at Scotiabank	June 23, 2010	Nil

(1) *Current member of the audit committee.*

(2) *Current member of the nomination and remuneration committee.*

(3) *Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 21, 2011, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.*

(4) *1,216,807 of these shares are held by Sunbeam Opportunities Limited and 184,610 are held by Rysaffe Trustee Company (C.I.) Limited, as nominee for Mr. Loudon.*

Mr. Hammond was nominated by Metalloinvest Holdings (Cyprus) Limited, which holds 21% of the Company's outstanding common shares, and for which Mr. Hammond acts as a consultant. Other than Mr. Hammond, no proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

To the knowledge of the Company, none of the management nominees for election as a Director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company)

that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The management nominees for election as Directors hold directorships in other reporting issuers as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
A. Geoffrey Loudon	L&M Petroleum Ltd
David De Witt	Bear Creek Mining Corporation Sandstorm Resources Ltd. Sandstorm Metals & Energy Ltd.
Matthew Hammond	Strike Resources Limited
Cynthia Thomas	Victory Nickel Inc KWG Resources Inc

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Composition of the Nomination & Remuneration Committee

The Company's Nomination & Remuneration Committee, on behalf of the Board of Directors, monitors compensation of executive officers of the Company. Messrs. Loudon, Debney and De Witt were members of the Nomination & Remuneration Committee during the most recently completed financial year. Mr. Loudon also serves as the Company's Chairman. Additional information regarding the Nomination & Remuneration Committee is provided below under the heading "Corporate Governance Disclosure – Compensation of Directors and the CEO".

None of the members of the Nomination & Remuneration Committee have any indebtedness to the Company or any of its subsidiaries nor have they any material interest, or have any associates or affiliates which have any material interest, direct or indirect, in any actual or proposed transaction in the last financial year which has materially affected or would materially affect the Company or any of its subsidiaries.

Report on Executive Compensation

The Board of Directors collectively has the responsibility to administer the compensation policies related to the executive management of the Company, including those named in the Summary Compensation

Table below. The Company's Nomination & Remuneration Committee, on behalf of the Board of Directors, monitors compensation of executive officers of the Company. Additional information regarding the Nomination & Remuneration Committee and its role and responsibilities is provided below under the heading "Corporate Governance Disclosure – Compensation of Directors and the CEO".

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for the current and prior fiscal years has historically been based upon negotiated contracts, with stock options being issued as a long term incentive for performance. An annual review of executive compensation is completed using the McDonald & Company Australasian Gold and General Mining Industry Remuneration Report ("**Remuneration Report**") which is an external salary survey based on approximately 150 resource companies in respect of 185 operations to ensure the Company remains competitive and is able to retain its executives. The survey group is broad, representing gold and other metalliferous / non-metalliferous mining companies, mining contractors and exploration companies. Of the organisations that contribute data to the Remuneration Report, 57% are publicly listed, 75% are operated by mining companies and 25% are operated by mining contractors. The organisations are benchmarked based on gross revenue, operating budget and employee numbers.

The CEO makes recommendations to the Nomination and Remuneration Committee in relation to any change in salary for the executive team. The Nomination and Remuneration Committee makes recommendations to the Board in relation the CEO's compensation. All salary changes for the executive team, including the CEO, are approved by the Board.

The Company has a performance based remuneration process established across the Company including the Company's executives. At the end of each year key performance indicators ("**KPIs**") are assessed for the executive management by the CEO and include individual and Company goals which are split on a 50/50 basis. The KPIs for the CEO are based on the Company's goals. Where possible, the KPIs are specific and measurable with target and stretch goals attached to each KPI. The KPIs are generally divided into three categories being: Risk/Governance, Financial and Value Drivers. A short term cash incentive may be awarded to the Company's executives on attaining the annual KPIs. The KPIs are approved by the Nomination and Remuneration Committee. None of the NEOs received any cash incentive for the 2010 financial year because not all of the KPIs set by the Nomination and Remuneration Committee were achieved during that year. These KPIs included finalising joint venture arrangements with strategic partners and achieving project sanction.

The maximum annual cash bonus as a percentage of base salary for which each Named Executive Officer was eligible in 2010 is set forth in the following table:

Position	2010 Maximum Annual Cash Bonus (% of 2010 Base Salary⁽¹⁾)
Stephen Rogers President and Chief Executive Officer	30
Shontel Norgate Chief Financial Officer	30
Anthony O'Sullivan Chief Operations Officer	30
Michael Johnston VP – Corporate Development	30
Glen Smith Chief Technology Officer	30

(1) Details of 2010 base salaries and actual bonuses paid to the Named Executive Officers are listed in the "Summary Compensation Table" below.

The shareholders have approved a stock option plan pursuant to which the Board of Directors has granted stock options to executive officers. The stock option plan allows compensation of participants while providing additional incentive to work toward long term Company performance. The stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as their impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Toronto Stock Exchange (the "TSX"), and closely align the interests of the executive officers with the interests of shareholders.

The stock option plan is subject to approval by shareholders at the Meeting. In addition, the Company is proposing the adoption of a share loan plan, which the shareholders will be asked to vote on at the Meeting. See "Securities Authorized for Issuance Under Equity Compensation Plans – Information Concerning the Company's Share Loan Plan".

Base Salary and Bonus

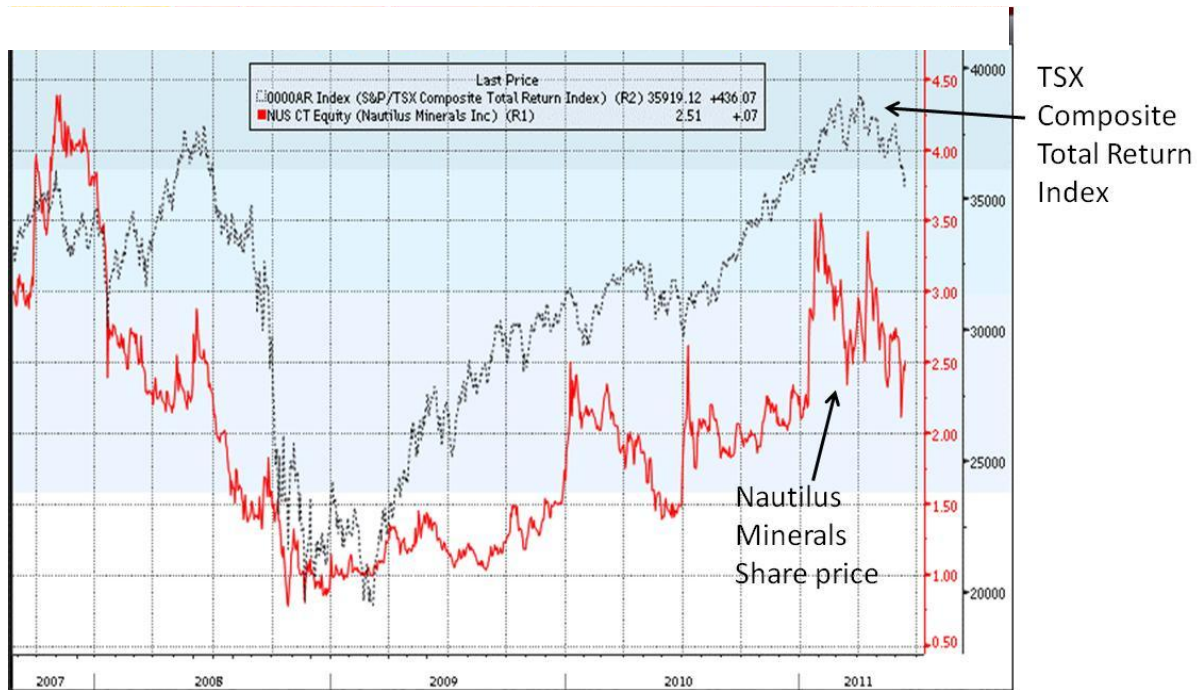
The Chairman of the Nomination & Remuneration Committee prepares recommendations for the Nomination & Remuneration Committee with respect to the base salary and, if appropriate, bonuses to be paid to the Chief Executive Officer and to other executive officers. The Nomination & Remuneration Committee approves the base salaries and bonuses for the executive officers excluding the Chief Executive Officer. The Nomination & Remuneration Committee's recommendation for the Chief Executive Officer and the executive officers is then submitted for approval by the Board of Directors of the Company. The compensation recommended is determined based on an assessment by the Nomination & Remuneration Committee of the executive's performance, a consideration of compensation levels in companies similar to the Company and a review of the performance of the Company as a whole.

Chief Executive Officer Compensation

The compensation of the Chief Executive Officer consists of an annual base salary, and, if warranted, bonus and stock options determined in the manner described in the above discussion of compensation for all executive officers. If employment is terminated within 90 days after a change of control of the Company, the CEO is entitled to a severance package consisting of 12 months' salary.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on the common shares of the Company, since its shares commenced trading on the TSX Venture Exchange on May 10, 2006 and on the TSX on August 24, 2007, with the cumulative total return of the S&P TSX Composite Index, assuming reinvestment of dividends. The common share trading data is as reported by the TSX.



As discussed above executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The performance of the Company's share price, relative to a group of its peers is included as one of the annual KPIs for determining the cash bonus which is reflected in the total executive compensation. Base salary is based on market conditions including information contained in the Remuneration Report.

Option-based awards

The Company's stock option plan is used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX, and closely align the interests of the executive officers with the interests of shareholders.

The Nomination & Remuneration Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 of National Instrument 51-102 *Continuous Disclosure Obligations*) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years in respect of each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer as at December 31,

2010, and the other three most highly compensated executive officers of the Company as at December 31, 2010 whose individual total salary and bonus for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that such individual was not serving as such an officer at the end of the most recently completed financial year (collectively the "Named Executive Officers" or "NEOs").

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽⁷⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽⁹⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Stephen Rogers ⁽¹⁾⁽⁶⁾⁽⁸⁾ President and Chief Executive Officer	2010	687,308	N/A	Nil	Nil	N/A	N/A	61,858	749,165
	2009	550,996	N/A	231,189	Nil	N/A	N/A	103,753	885,908
	2008	524,656	N/A	753,726	84,651	N/A	N/A	136,781	1,499,814
Shontel Norgate ⁽²⁾⁽⁸⁾ Chief Financial Officer	2010	282,284	N/A	Nil	Nil	N/A	N/A	27,523	309,806
	2009	227,819	N/A	184,951	Nil	N/A	N/A	22,041	434,811
	2008	229,242	N/A	Nil	53,187	N/A	N/A	25,419	307,848
Anthony O'Sullivan ⁽³⁾⁽⁸⁾ Chief Operations Officer	2010	425,771	N/A	Nil	Nil	N/A	N/A	38,319	464,090
	2009	356,580	N/A	184,951	Nil	N/A	N/A	34,500	576,031
	2008	362,520	N/A	Nil	76,767	N/A	N/A	39,536	478,823
Michael Johnston ⁽⁴⁾⁽⁸⁾ VP – Corporate Development	2010	376,574	N/A	Nil	Nil	N/A	N/A	33,892	410,465
	2009	297,156	N/A	184,951	Nil	N/A	N/A	28,749	510,856
	2008	287,881	N/A	Nil	56,424	N/A	N/A	30,987	375,292
Glen Smith ⁽⁵⁾⁽⁸⁾ Chief Technology Officer	2010	350,083	N/A	Nil	Nil	N/A	N/A	31,507	381,590
	2009	319,519	N/A	184,951	Nil	N/A	N/A	28,756	533,226
	2008	N/A	N/A	188,778	N/A	N/A	N/A	N/A	188,778

- (1) Mr. Rogers was appointed President and Chief Executive Officer on June 4, 2008; Mr. Rogers was previously the Company's Chief Development Officer from January 2, 2007.
- (2) Ms. Norgate was appointed Chief Financial Officer on September 6, 2006.
- (3) Mr. O'Sullivan was appointed Chief Operations Officer on May 4, 2006.
- (4) Mr. Johnston was appointed VP-Corporate Development on June 4, 2006.
- (5) Mr. Smith was appointed Chief Technology Officer on January 5, 2009. He was granted stock options when he accepted his position with the Company on October 1, 2008.
- (6) Stephen Rogers also serves as a director of the Company but receives no compensation for his services as a director.
- (7) The Company used the Black-Scholes-Merton model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each calculation in 2009: Stock price at date of grant: C\$1.16; Exercise price: C\$1.28 and C\$1.45, Expected life: 3-4 years; Volatility 72.42%; Risk free rate: 1.84%. The Company chose this methodology because it is expected to be the most accurate measure of the fair value of the Company's options and is consistent with the methodology used for Accounting purposes. No stock options were granted in 2010.
- (8) The compensation awarded to, earned by, paid to, or payable to each of the Named Executive Officers was in Australian dollars and for the most recently completed financial year has been translated herein at the rate of A\$1.00 for every US\$0.8926. The rate at which compensation for the 2009 financial year has been translated are A\$1.00 for every US\$0.7924. The Company uses the average annual rate to translate the compensation into the reporting currency.
- (9) Other compensation relates to superannuation contributions made – refer to "Pension Plan Benefits" below.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)
Stephen Rogers	250,000 250,000 350,000	C\$1.45 C\$1.28 C\$5.35	30 June 2013 30 June 2012 30 Nov 2012	C\$202,500 C\$245,000 Nil	N/A	N/A
Shontel Norgate	200,000 200,000 300,000	C\$1.45 C\$1.28 C\$5.35	30 June 2013 30 June 2012 30 Nov 2012	C\$162,000 C\$196,000 Nil	N/A	N/A
Anthony O'Sullivan	200,000 200,000 300,000	C\$1.45 C\$1.28 C\$5.35	30 June 2013 30 June 2012 30 Nov 2012	C\$162,000 C\$196,000 Nil	N/A	N/A
Michael Johnston	200,000 200,000 300,000	C\$1.45 C\$1.28 C\$5.35	30 June 2013 30 June 2012 30 Nov 2012	C\$162,000 C\$196,000 Nil	N/A	N/A
Glen Smith	200,000 200,000 250,000	C\$1.45 C\$1.28 C\$1.70	30 June 2013 30 June 2012 1 Oct 2011	C\$162,000 C\$196,000 C\$140,000	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was C\$2.26, and the exercise or base price of the option.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all non-equity incentive plan compensation earned and stock options that vested during the financial year ended December 31, 2010 for each of the Named Executive Officers:

NEO Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Stephen Rogers	C\$94,000	N/A	\$Nil
Shontel Norgate	C\$75,200	N/A	\$Nil
Anthony O'Sullivan	C\$75,200	N/A	\$Nil
Michael Johnston	C\$75,200	N/A	\$Nil
Glen Smith	C\$101,200	N/A	\$Nil

(1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

Narrative Discussion

As discussed above, no short term incentives or KPIs were paid to any of the Named Executive Officers. Any amounts paid upon attaining annual KPIs would be considered "Non-Equity Incentive Plan Compensation" for the purposes of this Executive Compensation disclosure.

The issue of stock options to Named Executive Officers is approved by the Board in accordance with the Company's stock option plan, taking into consideration their position within the Company and the number of stock options available for issue.

With respect to options that vested during the year:

<i>NEO</i>	<i>Aggregate number of common shares vested⁽¹⁾</i>	<i>Date vested</i>	<i>Exercise price per share</i>	<i>Expiry Date</i>
Stephen Rogers	120,000	Jun 3, 2010	C\$2.97	Jun 3, 2011
	120,000	Dec 3, 2010	C\$2.97	Jun 3, 2011
	50,000	Jun 30, 2010	C\$1.28	Jun 30, 2012
	50,000	Dec 30, 2010	C\$1.28	Jun 30, 2012
	50,000	Dec 30, 2010	C\$1.45	Jun 30, 2013
Shontel Norgate	40,000	Jun 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.45	Jun 30, 2013
Anthony O'Sullivan	40,000	Jun 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.45	Jun 30, 2013
Michael Johnston	40,000	Jun 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.45	Jun 30, 2013
Glen Smith	50,000	Apr 1, 2010	C\$1.70	Oct 1, 2011
	50,000	Oct 1, 2010	C\$1.70	Oct 1, 2011
	40,000	Jun 30 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.28	Jun 30, 2012
	40,000	Dec 30, 2010	C\$1.45	Jun 30, 2013

(1) Options vest at 20% every six months commencing six months after the date of issue of the options.

Pension Plan Benefits

The Company does not have any form of pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan. The Company contributes the equivalent of 9% of the base salary of each Named Executive Officer into the Named Executive Officer's preferred superannuation fund.

Termination and Change of Control Benefits

The terms of the employment contracts between the Company or its subsidiaries and the Named Executive Officers that were in existence at the end of the most recently completed financial year are as follows.

As used below, a "change of control" shall be deemed to have occurred if the Company is the subject of a takeover bid at a time when the market capitalization of the Company exceeds US\$150 million, pursuant to which any person (or group of persons acting jointly or in concert) acquires more than 50.1% of the then issued and outstanding common shares of the Company. As noted below under the heading "Information Concerning the Company's Stock Option Plan", all unvested stock options shall vest upon a change of control. Each NEO may terminate his or her service agreement within 90 days of the date of a change of control upon which event s/he shall be entitled to a severance payment equal to his or her annual base salary. The Company has the right to terminate each NEO's employment at any time if there

is a change of control upon which event each NEO shall be entitled to a severance payment equal to three times his or her annual salary, if so terminated within 9 months of a change of control.

1. The Company has entered into an employment agreement dated June 4, 2008 with Stephen Rogers (the "**Rogers Agreement**") pursuant to which it has engaged Mr. Rogers as its President and Chief Executive Officer. The Rogers Agreement provides for a base salary of A\$770,000 per annum. In the event of termination without cause other than following a change of control, Mr. Rogers would be entitled to six months written notice or, at the Company's discretion, payment of an amount equal to 50% of the his then annual base salary in lieu of notice if terminated after June 4, 2011. If Mr. Rogers had been terminated without cause as at December 31, 2010, he would have been entitled to a payment of A\$988,241. If a change of control had occurred on December 31, 2010, Mr. Rogers would have been entitled to receive a payment of A\$770,000 and other benefits having a value of A\$288,241 if he terminated the Rogers Agreement within 90 days from the date of the change of control or a payment of A\$2,310,000 and other benefits having a value of A\$426,841 if terminated by the Company within 9 months of the change of control and option-based awards of C\$179,000.⁽¹⁾
2. The Company has entered into an employment agreement dated July 27, 2006 with Shontel Norgate (the "**Norgate Agreement**") pursuant to which it has engaged Ms. Norgate as its Chief Financial Officer. The Norgate Agreement provides for a base salary of A\$316,245 per annum. In the event of termination without cause other than following a change of control, Ms. Norgate would be entitled to four weeks notice. If Ms. Norgate had been terminated without cause as at December 31, 2010, she would have been entitled to a payment of A\$42,347. If a change of control had occurred on December 31, 2010, she would have been entitled to receive a payment of A\$316,245 and other benefits having a value of A\$70,809 if she terminated the Norgate Agreement within 90 days from the date of the change of control or a payment of A\$948,735 and other benefits having a value of A\$127,733 if terminated by the Company within 9 months of the change of control and option-based awards of C\$143,200.⁽¹⁾
3. The Company has entered into an employment agreement dated November 13, 2006 with Anthony O'Sullivan (the "**O'Sullivan Agreement**") pursuant to which it has engaged Mr. O'Sullivan as its Chief Operations Officer. The O'Sullivan Agreement provides for a base salary of A\$476,996 per annum. In the event of termination without cause other than following a change of control, Mr. O'Sullivan would be entitled to four weeks notice. If Mr. O'Sullivan had been terminated without cause as at December 31, 2010, he would have been entitled to a payment of \$93,267. If a change of control had occurred on December 31, 2010, he would have been entitled to receive a payment of A\$476,996 and other benefits having a value of A\$136,196 if he terminated the O'Sullivan Agreement within 90 days from the date of the change of control or a payment of A\$1,430,988 and other benefits having a value of A\$222,056 if terminated by the Company within 9 months of the change of control and option-based awards of C\$143,200.⁽¹⁾
4. The Company has entered into an employment agreement dated April 21, 2006 with Michael Johnston (the "**Johnston Agreement**") pursuant to which it has engaged Mr. Johnston as its VP – Corporate Development. The Johnston Agreement provides for a base salary of A\$421,885 per annum. In the event of termination without cause other than following a change of control, Mr. Johnston would be entitled to four weeks notice. If Mr. Johnston had been terminated without cause as at December 31, 2010, he would have been entitled to a payment of A\$49,369. If a change of control had occurred on December 31, 2010, he would have been entitled to receive a payment of A\$421,885 and other benefits having a value of A\$87,339 if he terminated the Johnston Agreement within 90 days from the date of the change of control or a payment of A\$1,265,655 and other benefits having a value of A\$163,278 if terminated by the Company within 9 months of the change of control and option-based awards of C\$143,200.⁽¹⁾
5. The Company has entered into an employment agreement dated January 5, 2009 with Glen Smith (the "**Smith Agreement**") pursuant to which it has engaged Mr. Smith as its Chief Technology

Officer. The Smith Agreement provides for a base salary of A\$392,204 per annum. In the event of termination without cause other than following a change of control, Mr. Smith would be entitled to three months notice. If Mr. Smith had been terminated without cause as at December 31, 2010, he would have been entitled to a payment of A\$30,187. If a change of control had occurred on December 31, 2010, he would have been entitled to receive a payment of A\$392,204 and other benefits having a value of A\$65,485 if he terminated the Smith Agreement within 90 days from the date of the change of control or a payment of A\$1,176,612 and other benefits having a value of A\$136,082 if terminated by the Company within 9 months of the change of control, and option-based awards of C\$171,200.⁽¹⁾

Note (1): Calculated by multiplying the difference between the market price of the shares on such date and the exercise price of the option by the number of option shares subject to early vesting.

Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors who are not Named Executive Officers, for the Company's most recently completed financial year:

<i>Director Name</i> ⁽¹⁾	<i>Fees Earned</i> (\$)	<i>Share-Based Awards</i> (\$)	<i>Option-Based Awards</i> (\$)	<i>Non-Equity Incentive Plan Compensation</i> (\$)	<i>Pension Value</i> (\$)	<i>All Other Compensation</i> (\$)	<i>Total</i> (\$)
A. Geoffrey Loudon	Nil	Nil	267,416	Nil	Nil	Nil	267,416
David De Witt	Nil	Nil	178,277	Nil	Nil	Nil	178,277
Russell Debney	Nil	Nil	143,342	Nil	Nil	Nil	143,342
Matthew Hammond	Nil	Nil	178,277	Nil	Nil	Nil	178,277
Cynthia Thomas ⁽²⁾	Nil	Nil	178,277	Nil	Nil	Nil	178,277
John O'Reilly ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) *Relevant disclosure has been provided in the Summary Compensation Table for financial year(s) ending on or after December 31, 2009 above, for directors who receive compensation for their services as a director who are also Named Executive Officers.*

(2) *Ms Thomas was elected as a director of the Company on June 23, 2010.*

(3) *Mr. O'Reilly resigned as a director of the Company on April 16, 2010.*

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation or involvement in special assignments. During the most recently completed financial year, the Company and its subsidiaries did not make payments to any Directors for services in their capacity as Directors, or for committee participation or involvement in special assignments

The Company has a formalized stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the interests of such persons to that of the shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options⁽¹⁾ (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
A. Geoffrey Loudon	300,000	C\$2.31	25 Aug 2013	Nil	N/A	N/A
	150,000	C\$1.45	30 June 2013	C\$43,500		
	150,000	C\$1.28	30 June 2012	C\$69,000		
	150,000	C\$0.99	7 Jan 2012	C\$112,500		
	300,000	C\$5.35	30 Nov 2012	Nil		
David De Witt	200,000	C\$2.31	25 Aug 2013	Nil	N/A	N/A
	100,000	C\$1.45	30 June 2013	C\$29,000		
	100,000	C\$1.28	30 June 2012	C\$46,000		
	100,000	C\$0.99	7 Jan 2012	C\$75,000		
	200,000	C\$5.35	30 Nov 2012	Nil		
Russell Debney	200,000	C\$2.31	2 Sep 2013	C\$2.31	N/A	N/A
	100,000	C\$1.45	30 June 2013	C\$29,000		
	100,000	C\$1.28	30 June 2012	C\$46,000		
	100,000	C\$0.99	7 Jan 2012	C\$75,000		
	200,000	C\$5.35	30 Nov 2012	Nil		
Matthew Hammond	200,000	C\$2.31	25 Aug 2013	Nil	N/A	N/A
Cynthia Thomas ⁽²⁾	200,000	C\$2.31	25 Aug 2013	Nil	N/A	N/A
John O'Reilly ⁽³⁾	Nil	Nil	Nil	Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was C\$2.26, and the exercise or base price of the option.

(2) Ms Thomas was elected a director of the Company on June 23, 2010.

(3) Mr. O'Reilly resigned as a director of the Company on April 16, 2010.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all stock options that vested during the financial year ended December 31, 2010 for each of the Directors:

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)</i>	<i>Share-Based Awards - Value Vested During The Year (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
A. Geoffrey Loudon	C\$119,700	N/A	N/A
David De Witt	C\$79,800	N/A	N/A
Russell Debney	C\$79,800	N/A	N/A
Matthew Hammond	Nil	N/A	N/A
Cynthia Thomas ⁽²⁾	Nil	N/A	N/A
John O'Reilly ⁽³⁾	C\$42,200	N/A	N/A

(1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(4) Ms Thomas was elected a director of the Company on June 23, 2010.

(3) Mr. O'Reilly resigned as a director of the Company on April 16, 2010.

The issue of stock options to Directors is recommended by the Nomination & Remuneration Committee and approved by the Board in accordance with the Company's stock option plan, taking into consideration their position within the Company and the number of stock options available for issue.

With respect to options that vested during the year:

<i>Director Name</i>	<i>Aggregate number of common shares vested ⁽¹⁾</i>	<i>Date vested</i>	<i>Exercise price per share</i>	<i>Expiry Date</i>
A. Geoffrey Loudon	30,000	Jan 7, 2010	C\$0.99	Jan 7, 2012
	30,000	Jul 7, 2010	C\$0.99	Jan 7, 2012
	30,000	Jun 30, 2010	C\$1.28	June 30, 2012
	30,000	Dec 30, 2010	C\$1.28	June 30, 2012
	30,000	Dec 30, 2010	C\$1.45	June 30, 2013
David De Witt	20,000	Jan 7, 2010	C\$0.99	Jan 7, 2012
	20,000	Jul 7, 2010	C\$0.99	Jan 7, 2012
	20,000	Jun 30, 2010	C\$1.28	June 30, 2012
	20,000	Dec 30, 2010	C\$1.28	June 30, 2012
	20,000	Dec 30, 2010	C\$1.45	June 30, 2013
Russell Debney	20,000	Jan 7, 2010	C\$0.99	Jan 7, 2012
	20,000	Jul 7, 2010	C\$0.99	Jan 7, 2012
	20,000	Jun 30, 2010	C\$1.28	June 30, 2012
	20,000	Dec 30, 2010	C\$1.28	June 30, 2012
	20,000	Dec 30, 2010	C\$1.45	June 30, 2013
John O'Reilly	20,000	Jan 7, 2010	C\$0.99	Jan 7, 2012
Cynthia Thomas	Nil	N/A	N/A	N/A
Matthew Hammond	Nil	N/A	N/A	N/A

(1) Options vest at 20% every six months commencing six months after the date of issue of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year

<i>Plan Category</i>	<i>Number of common shares to be issued upon exercise of outstanding options, warrants and rights</i> (a)	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> (b)	<i>Number of common shares remaining available for future issuance under equity compensation plans (excluding common shares reflected in column (a))</i> (c)
Equity compensation plans approved by securityholders	15,557,888	C\$2.67	4,561,888 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	15,557,888	C\$2.67	4,561,888

(1) As described below, the Company's stock option plan is a 10% "rolling" stock option plan.

Information Concerning the Company's Stock Option Plan

At the Company's annual general meeting held on June 4, 2008, the shareholders approved the Company's current form of stock option plan (the "**Option Plan**"). The Option Plan was adopted on shareholder approval and replaced the Company's previous stock option plan which had been in place since the Company's common shares were listed on the TSX on August 24, 2007. The Option Plan has not been amended since adoption on June 4, 2008.

The Option Plan is a 10% "rolling" stock option plan pursuant to which the number of common shares reserved for issuance is 10% of the Company's issued and outstanding common shares as constituted on the date of any grant of options under the Option Plan. Other information relating to the Option Plan is as follows:

- The Option Plan is administered by the Board of Directors or, if the Directors so determine, by a committee of the Directors authorized to administer the Option Plan (the "**Committee**").
- Options may be granted to directors, officers and employees of the Company as well as persons or corporations engaged to provide services to the Company (or any entity controlled by the Company) and any individuals employed by such persons or corporations.
- The number of shares issuable to insiders of the Company at any time, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding shares. As at June 21, 2011, the number of common shares reserved for issuance pursuant to the exercise of options granted under or otherwise subject to the Option Plan was 15,576,988, being an amount equal to 10% of the Company's issued and outstanding common shares as at such date.
- As at June 21, 2011, an aggregate of 9,330,000 options were issued and outstanding under the Option Plan, representing 6% of the Company's issued and outstanding common shares as at such date.
- The number of shares issued to insiders of the Company as a group, within any one year period, under all security based compensation arrangements of the Company, cannot exceed 10% of the Company's issued and outstanding shares as at the end of such one year period.

- Subject to the limitation applicable to insiders of the Company and the limit on the maximum number of options available for issuance under the Option Plan, there is no restriction on the number of options that can be granted to any one person.
- The Board or, if applicable, the Committee has the authority to determine the exercise price of the options granted under the Option Plan provided that the exercise price must be not less than the market price on the TSX at the time of grant of the options.
- The Option Plan does not contain provisions allowing for the transformation of a stock option into a stock appreciation right.
- Vesting of options will be at the discretion of the Board or, if applicable, the Committee, other than in the event of a change of control of the Company, upon which all previously unvested options shall vest immediately and shall be exercisable in whole or in part.
- The maximum term of options granted under the Option Plan is 10 years from the date of grant. The Option Plan provides that the expiry date of options shall be the later of the date set by the Board or the Committee as the last date on which an option may be exercised and, if such date falls during or within five (5) trading days after the end of a "Black-Out Period" (as defined below), the date that is ten (10) trading days following the date on which such Black-Out Period ends (the "**Extension Period**"); provided that if an additional Black-Out Period is subsequently imposed during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Black-Out Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Black-Out Period. For these purposes, a "**Black-Out Period**" means a period of time during which, pursuant to the policies of the Company or the requirements applicable to a close period under the AIM Rules for Companies published by the London Stock Exchange, trading in common shares or options of the Company is prohibited or restricted
- If an optionee ceases to be eligible to receive options under the Option Plan as a result of termination for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date.
- If an optionee ceases to be eligible to receive options under the Option Plan for reasons other than termination for cause (or death), any outstanding options held by such optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such option or six months after the optionee ceases to be eligible to receive options. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such options to remain in full force and effect until any time up to the original expiry time of such options, irrespective of whether such expiry time is more than six months after the optionee ceases to be eligible to receive options.
- Options granted under the Option Plan are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Company or the Option Plan, suspend, terminate or discontinue the Option Plan at any time, or amend or revise the terms of the Option Plan or of any option granted under, or otherwise governed by, the Option Plan to:
 - (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Option Plan;

- (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
- (c) change vesting provisions;
- (d) change termination provisions for an insider provided that the expiry time does not extend beyond the original expiry time under the Option Plan;
- (e) change termination provisions for an optionee who is not an insider beyond the original expiry time;
- (f) reduce the exercise price of an option for an optionee who is not an insider; and
- (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the Option Plan without the consent of that optionee. Any other amendments to the Option Plan or options granted thereunder (or options otherwise governed thereby) will be subject to the approval of the shareholders.

- The Option Plan does not contain any provisions relating to the provision of financial assistance by the Company to optionees to facilitate the purchase of common shares upon the exercise of options.

The full text of the Option Plan will be available for review at the Meeting.

Shareholder Approval Required

The Company intends to submit for approval of shareholders at the Meeting the Option Plan, subject to an amendment to the method of determining the exercise price of options granted pursuant thereto. Specifically, the Option Plan provides that the exercise price of options shall be the volume-weighted average price of the shares on the TSX for the five trading days prior to the date of grant. The Company wishes to amend the Option Plan to provide that the exercise price shall be not less than the closing price on the TSX on the last trading day prior to the day an option grant is made. The Option Plan as amended to reflect the exercise price provision is referred to as the "**Amended and Restated Option Plan**".

The approval of the Amended and Restated Option Plan requires an ordinary resolution of the shareholders. The text of a proposed resolution (the "**Option Plan Resolution**") approving the Amended and Restated Option Plan is set forth below. Each share has the right to one vote on the Option Plan Resolution. See "Voting Shares and Principal Thereof".

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote in favour of the Option Plan Resolution.

RESOLVED THAT:

1. the Amended and Restated Option Plan, as described in this Circular, and all unallocated options thereunder, are hereby approved, provided that the Company must seek shareholder re-approval of such plan and unallocated options thereunder not later than three years from the date hereof; and
2. any director or officer of the Company is hereby authorized to take any and all such other steps or actions as may be reasonably necessary or appropriate to execute and deliver for and in the name of and on behalf of the Company, whether under corporate seal or not, all such other certificates, instruments, agreements, documents and notices, and to take such further actions as may be necessary or appropriate in order to give effect to this resolution.

Information concerning the Company's Share Loan Plan

The Company's share loan plan (the "**Loan Plan**") has been approved by the Company's directors, and is subject to ratification by the shareholders at the Meeting in order to become effective. The Loan Plan provides for security-based compensation in a manner similar to a stock option plan by enabling participants to acquire an equity interest in the Company using a limited recourse loan provided by a subsidiary of the Company.

The Loan Plan provides for loans to be made to eligible participants ("**SLP Participants**") who will apply the proceeds toward a subscription for shares. The loans will be made by a subsidiary of the Company (the "**Lender**") and the shares issued by Nautilus will be registered in the name of an administrative agent (the "**Agent**") for the benefit of the applicable SLP Participant. It is expected that Computershare Trust Company of Canada will act as Agent.

The loan will not bear interest, and the Lender's recourse will be limited to the value of the shares. If the SLP Participant elects to sell the shares (which will be effected by the Agent), the proceeds will be used to repay the loan and any brokerage and other fees, and the SLP Participant will be entitled to any remaining balance.

SLP Participants could only elect to sell the shares if the then-current market price is greater than the subscription price paid for those shares, such that the net proceeds of the sale will equal or exceed the outstanding loan balance in respect the shares being sold. An SLP Participant may, during the term of the loan, elect to repay the loan and become the registered holder of the shares. If an SLP Participant ceases to be eligible to participate in the Loan Plan or if the term of the loan expires before the loan is repaid, the Agent will return the shares to the Company, and both the loan and the shares will be cancelled.

Shares issued pursuant to the Loan Plan are referred to as "**Restricted Shares**" as long as they are outstanding and registered in the name of the Agent (i.e. before the date that the shares are sold in the market to pay the loan or the SLP Participant otherwise repays the loan).

The purpose of the Loan Plan is to provide a tax-efficient security-based compensation program for the Company's Australian employees and directors.

The following describes certain terms of the Loan Plan, which are analogous to the terms of the Option Plan, to the extent applicable:

- The SLP Participants will be full-time or part-time employees and directors of Nautilus or any subsidiary, provided any such SLP Participant has their primary residence in Australia.
- The number of Restricted Shares outstanding at any time will, when combined with the number of shares issuable upon exercise of outstanding options under the Option Plan, be limited to 10% of the Company's issued and outstanding shares, on a non-diluted basis (but excluding outstanding Restricted Shares in the calculation of issued and outstanding shares), at that time. In the same manner as the Option Plan is "reloaded" when options are exercised, when Restricted Shares cease to be restricted on the repayment of the loan, the number of shares issuable under the Loan Plan will be increased. Any Restricted Shares that are cancelled will be eligible to be reissued, subject always to the 10% limit. The corresponding 10% limitation in the Option Plan will be applied in a manner consistent with the above 10% limitation in the Loan Plan, in that the calculation will exclude outstanding Restricted Shares in the denominator. In addition, as required by applicable Australian securities laws, the number of shares offered to Australian residents under the Loan Plan, when aggregated with the number of shares that would be issued, and the number of shares that have been issued over the previous 5 years, to Australian residents under any security based compensation arrangements, must not exceed 5% of the total number of issued shares at the time each offer is made under the Loan Plan.

- The number of shares issued to insiders (as defined in the *Securities Act* (British Columbia)) as a group within a one year period under all security based compensation arrangements (including the Loan Plan and the Option Plan) will not exceed 10% of the total number of issued and outstanding shares, on a non-diluted basis (but excluding outstanding Restricted Shares in the calculation of issued and outstanding shares), as at the end of such one year period. Subject to the limitations on the number of shares issuable under the Loan Plan and the Option Plan as noted above, there is no maximum number of shares that any one person is entitled to receive pursuant to the Loan Plan.
- The price at which shares will be issued under the Loan Plan will be determined by the Board of Directors or, if applicable, any committee of the Board of Directors to which administration of the Loan Plan is delegated (the "**SLP Committee**"), and will be not less than the closing price of the shares on the TSX on the last trading day prior to the date of issuance.
- The maximum term of loans made under the Loan Plan is 10 years. The Loan Plan will contain provisions for the extension of a loan that would otherwise terminate during or within five trading days after the end of a Black-Out Period until the date that is 10 trading days after the end of an SLP Black-Out Period. A "**SLP Black-Out Period**" means a period of time during which, pursuant to the policies of the Company or the requirements applicable to a close period under the *AIM Rules for Companies* published by the London Stock Exchange, trading in shares is prohibited or restricted.
- Vesting of Restricted Shares will be at the discretion of the Board of Directors or the SLP Committee. At the time of vesting, an SLP Participant will be entitled to deal with Restricted Shares by directing that they be sold into the market or by repaying the applicable loan. In the event of a change of control of the Company, all previously unvested Restricted Shares will vest immediately. SLP Participants will agree to vote Restricted Shares beneficially owned by them in accordance with the recommendations of management.
- If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan for reasons other than termination for cause (or death or legal incapacity), any existing loan made to such person (and the corresponding vested Restricted Shares) will remain outstanding for a period ending on the earlier of the expiry date of the loan or six months after the SLP Participant ceases to be eligible to receive a loan under the Loan Plan. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such Restricted Shares to remain outstanding until any time up to the original expiry date of the applicable loan, irrespective of whether such expiry date is more than six months after the SLP Participant ceases to be eligible to receive a loan under the Loan Plan. If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan as a result of termination for cause, any existing loan made to such person (and the corresponding Restricted Shares) will be cancelled as of that date. If an SLP Participant ceases to be eligible to receive a loan under the Loan Plan as a result of death or legal incapacity, any existing loan made to such person (and the corresponding vested Restricted Shares) will remain outstanding for a period ending on the earlier of the expiry date of the loan or one year after the death or incapacity of the SLP Participant.
- Loans made under the Loan Plan and corresponding Restricted Shares are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.
- Holders of Restricted Shares will waive their rights to receive: (i) any cash dividends declared and (ii) any assets of the Company on dissolution, and shall direct that such cash or other assets be paid or directed to the Company.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Company or the Loan Plan, suspend, terminate or discontinue the Loan Plan at

any time, or amend or revise the terms of the Loan Plan or of any loan made pursuant to the Loan Plan to:

- (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Loan Plan;
- (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
- (c) change vesting provisions;
- (d) change termination provisions for an insider provided that the expiry date does not extend beyond the original expiry date under the Loan Plan; and
- (e) change termination provisions for an SLP Participant who is not an insider beyond the original expiry date;

provided that no such amendment, revision, suspension, termination or discontinuance will in any manner adversely affect any loan previously granted to an SLP Participant under the Loan Plan without the consent of that SLP Participant. Any other amendments to the Loan Plan or loans granted thereunder will be subject to the approval of the shareholders.

The full text of the Loan Plan will be available for review at the Meeting.

Shareholder Approvals Required

The Company is seeking the approval of the adoption of the Loan Plan at the Meeting by ordinary resolution of the shareholders. The text of a proposed resolution (the "**Loan Plan Resolution**") approving the Loan Plan is set forth below. Each share has the right to one vote on the Loan Plan Resolution. See "Voting Shares and Principal Holders Thereof".

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote in favour of the Loan Plan Resolution.

RESOLVED THAT:

1. the Loan Plan as disclosed in this Circular is hereby adopted and approved; and
2. any director or officer of the Company is hereby authorized to take any and all such other steps or actions as may be reasonably necessary or appropriate to execute and deliver for and in the name of and on behalf of the Company, whether under corporate seal or not, all such other certificates, instruments, agreements, documents and notices, and to take such further actions as may be necessary or appropriate in order to give effect to this resolution.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at June 21, 2011, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is 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, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its 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,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of PricewaterhouseCoopers LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines and, as prescribed by National Instrument 58-101, discloses its corporate governance practices.

Independence of Members of Board

The Company's Board currently consists of six directors, each of whom is nominated for election as a director at the Meeting. Five directors are independent based on the tests for independence set forth in National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Russell Debney, A. Geoffrey Loudon, David De Witt, Cynthia Thomas and Matthew Hammond are independent. Stephen Rogers is not considered independent as he is the President and CEO of the Company.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team, of which the CEO is also on the Board. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board and have an independent Chair of the Board (A. Geoffrey Loudon). The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have

regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. The independent directors did not meet as a group during the most recently completed financial year. Further supervision is performed through the audit committee which is composed of independent directors who are able to meet with the Company's auditors without management being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board and have an independent Chair of the Board (A. Geoffrey Loudon) and a majority of non-executive directors.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under the heading "Election of Directors" in this Information Circular.

Participation of Directors in Board Meetings

During the year ended December 31, 2010, six board meetings were held. The attendance record of each director for the board meetings held is as follows:

<i>Board Members</i>	<i>Board Meetings</i>		<i>Audit Committee Meetings</i>		<i>Nomination & Remuneration Committee Meetings</i>	
	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>	<i>Number of meetings attended</i>	<i>Number of meetings held during the year for the time the director held office during the year</i>
Geoff Loudon	6	6	2	2	1	1
Stephen Rogers	6	6	N/A	N/A	N/A	N/A
Russell Debney	6	6	4	4	1	1
David De Witt	4	6	Nil	Nil	1	1
John O'Reilly ⁽¹⁾	1	1	1	1	N/A	N/A
Cynthia Thomas ⁽²⁾	4	4	2	2	N/A	N/A
Matthew Hammond	4	6	Nil	2	N/A	N/A

(1) John O'Reilly resigned as a director of the Company on April 16, 2010.

(2) Cynthia Thomas was elected as a director of the Company on June 23, 2010.

Note: From January 1, 2010 to April 16, 2010, the Audit Committee comprised: Russell Debney, Geoff Loudon and John O'Reilly. From April 16, 2010 to June 23, 2010, the Audit Committee comprised: Russell Debney, Geoff Loudon and David De Witt. From June 23, 2010 to December 31, 2010, the Audit Committee comprised: Russell Debney, Matthew Hammond and Cynthia Thomas.

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule A to this Information Circular.

Position Descriptions

The Board has not developed or adopted written position descriptions for the Chair of the Board and for the chairs of each of its committees. The Board considers the mandates and charters for the Board and its committees, as applicable, sufficiently sets forth the responsibilities of the Board and the relevant committees and correspondingly makes evident the role and responsibilities of the Chair of the Board and the chairs of each of its committees.

The chair is responsible for the management, development and effective performance of the board, and for providing leadership to the directors in carrying out their collective responsibilities to supervise the management of the business and affairs of the company. The chair is also charged with the responsibility of leading the board and organizing it to function in partnership with, but independently of, management of the company in order to facilitate the achievement of the goals of the company, including sustainable growth and maximizing shareholder value. In particular, the chair

- sets all board meeting agendas with the CEO, and leads all board discussions
- facilitates and chairs discussions among the company's independent directors, facilitates communication between the independent directors and the company's management, and is responsible for discussing any performance issues of any director, and
- if and when necessary, acts as a spokesperson on behalf of the board in dealing with the press and members of the public.

The Chair of each Committee of the Board is responsible for guiding the Committee in the fulfillment of its duties and responsibilities and managing the process through which the Committee carries out such duties and responsibilities. In fulfilling such role, each Chair of a Committee is charged with:

- providing effective leadership and overseeing all aspects of the Committee's direction and administration;
- overseeing the mandate, structure, composition, membership and activities delegated to the Committee;
- reporting the results of each Committee meeting at the next Board meeting and ensuring that Committee minutes are available to each Director;
- setting the agenda for Committee meetings in consultation with the Board, other Committee members, the CEO and the appropriate members of management;
- communicating with appropriate members of management in fulfilling the mandate of the Committee;
- ensuring that Committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the Committee;
- allotting sufficient time during Committee meetings to fully discuss agenda items of relevance and importance to directors; and
- retaining expert consultants on behalf of the Committee, as needed.

The Board has not developed or adopted a written position description for the CEO as the Board considers the employment agreement with the CEO sufficiently sets forth the role and responsibilities of the CEO. The CEO is responsible for the overall leadership and management of the Company in accordance with the strategies, policies and mandates established by the Board from time to time, and reports to the Board regarding the management and operations of the Company, including any progress and deviations from any strategic plans set by the Board. In addition, the Board regularly discusses

corporate and individual objectives for the CEO to achieve, including the CEO's role in keeping with industry practices and corporate governance standards.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants;
3. access to the Company's policies and procedures including the Nautilus Charter; and
4. an update by management and other directors on the strategic direction and progress of the company.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Management provide information and education sessions to the Board and its committees on a continuing basis as necessary to keep the Directors up-to-date with the Company, its business and the environment in which it operates as well as with developments in the responsibilities of Directors, corporate governance, ethics and compliance.

Presentations are made to the Board from time to time to educate and keep them informed of changes within the Company and of regulatory and industry requirements and standards.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders.

The Board has adopted a Charter (the "**Charter**"), which sets forth the Company's mission, objectives and values. The Board has instructed its management and employees to abide by the Charter and to bring any breaches of the Charter to the attention of the Board or management. The Company administers regular training to its employees in relation to the Charter. No material change reports have been filed by the Company since the beginning of the Company's most recently completed financial year pertaining to any conduct of a director or executive officer that constitutes a departure from the Charter.

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

A copy of the Charter may be obtained by written request to the Company.

Nomination of Directors

The Board and the Nomination & Remuneration Committee have the responsibility for identifying potential Board candidates. Each of the members of the Nomination & Remuneration Committee is independent of the Company.

The Board and the Nomination & Remuneration Committee assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the resources industry are consulted for possible candidates. The Board has adopted terms of reference that set forth the responsibilities, powers and operations of the Nomination & Remuneration Committee.

The terms of reference do not specify a formal process for the identification of new candidates, as changes to the Board are made very infrequently. It does however, provide that it is the Nomination & Remuneration Committee's duty to, among other things:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) evaluate the structure, size and composition (including the balance of skills, knowledge and experience) of the Board;
- (c) before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (d) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (e) review annually the time required from a non-executive director.

Compensation of Directors and the CEO

The Nomination & Remuneration Committee has the primary responsibility for determining the compensation for the Company's directors and officers.

Non-executive directors of the Company do not receive fees for their role as directors. Non-executive directors are able to participate in the Company's stock option plan.

All remuneration for senior executives is recommended by the Nomination & Remuneration Committee and approved by the full Board. To determine compensation payable, the Nomination & Remuneration Committee reviews compensation paid for senior management of companies of similar size and stage of development in the mineral exploration and mining industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Nomination & Remuneration Committee annually reviews the performance of the CEO and other members of senior management in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Nomination & Remuneration Committee

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution, as the Board believes that such assessments are generally more appropriate

for corporations of significantly larger size and complexity than the Company and which may have significantly larger boards of directors. When needed, time is set aside at a meeting of the board for a discussion regarding the effectiveness of the board and its committees. If appropriate, the Board may then consider procedural or substantive changes to increase the effectiveness of the Board and its committees. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

AUDIT COMMITTEE INFORMATION

Information regarding the Company's Audit Committee as required by Form 52-110F1 of NI 52-110, including a copy of the Audit Committee's terms of reference, is contained beginning on page 71 and in Schedule A of the Company's Annual Information Form dated March 23, 2011 (the "AIF"). A copy of the AIF is available under the Company's profile on SEDAR at www.sedar.com. Upon request, the Company will promptly provide a copy of the AIF free of charge to a shareholder.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at investor@nautilusminerals.com to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 21st day of June, 2011.

APPROVED BY THE BOARD OF DIRECTORS

"Stephen Rogers"
Stephen Rogers, Chief Executive Officer

SCHEDULE A

BOARD MANDATE

LIST OF MATTERS IN RELATION TO ALL GROUP COMPANIES RESERVED FOR DECISION BY THE FULL BOARD OF DIRECTORS

1. STRATEGY AND MANAGEMENT

- 1.1 Approval of the group's long term objectives and commercial strategy.
- 1.2 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.3 Oversight of the group's operations ensuring:
 - competent and prudent management
 - sound planning
 - an adequate system of internal control
 - adequate accounting and other records
 - compliance with statutory and regulatory obligations.
- 1.4 Review of performance in the light of the group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.5 Extension of the group's activities into new business or geographic areas.
- 1.6 Any decision to cease to operate all or any material part of the group's business.

2. STRUCTURE AND CAPITAL

- 2.1 Changes relating to the group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- 2.2 Major changes to the group's corporate structure.
- 2.3 Changes to the group's management and control structure.
- 2.4 Any changes to the Company's listing or its status.

3. FINANCIAL REPORTING AND CONTROLS

- 3.1 Approval of preliminary announcements of interim and final results.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3 Approval of the dividend policy.

- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

4. **INTERNAL CONTROLS**

Ensuring maintenance of a sound system of internal control and risk management including:

- 4.1 receiving reports on, and reviewing the effectiveness of, the group's risk and control processes to support its strategy and objectives;
- 4.2 undertaking an annual assessment of these processes;
- 4.3 approving an appropriate statement for inclusion in the annual report.

5. **CONTRACTS**

- 5.1 Contracts which are material strategically or by reason of size, entered into by the company or any subsidiary in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets.
- 5.2 Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments; foreign currency transactions; major acquisitions or disposals.
- 5.3 Major investments.
- 5.4 Material strategic alliances, joint ventures, partnership or profit sharing arrangements.
- 5.5 Contracts or arrangements with any shareholder, director, or any company or entity with which such shareholder or director is associated.
- 5.6 Any decision in relation to the Group's licensing.

6. **COMMUNICATION**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 Approval of all circulars and prospectuses.
- 6.3 Approval of press releases concerning matters decided by the board.

7. **BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- 7.1 Changes to the structure, size and composition of the board, following recommendations from the nomination committee.
- 7.2 Ensuring adequate succession planning for the board and senior management.
- 7.3 Appointments to the Board, following recommendations by the nomination committee.

- 7.4 Selection of the chairman of the board and the chief executive.
 - 7.5 Appointment of the senior independent director.
 - 7.6 Membership and chairmanship of board committees.
 - 7.7 Continuation in office of directors at the end of their term of office when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
 - 7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract.
 - 7.9 Appointment or removal of the company secretary.
 - 7.10 Remuneration of auditors and appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
 - 7.11 Appointments to boards of subsidiaries.
 - 7.12 Any change to a Directors terms of employment.
8. **REMUNERATION**
- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives.
 - 8.2 Determining the remuneration of the non executive directors, subject to the articles of association and shareholder approval as appropriate.
 - 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
9. **DELEGATION OF AUTHORITY**
- 9.1 The division of responsibilities between the chairman, the chief executive and other executive directors, which should be in writing.
 - 9.2 Approval of terms of reference of board committees.
 - 9.3 Receiving reports from board committees on their activities.
10. **CORPORATE GOVERNANCE MATTERS**
- 10.1 Undertaking a formal and rigorous review of its own performance, that of its committees and individual directors.
 - 10.2 Determining the independence of directors.
 - 10.3 Considering the balance of interests between shareholders, employees, customers and the community.
 - 10.4 Review of the group's overall corporate governance arrangements.

10.5 Receiving reports on the views of the company's shareholders.

11. **POLICIES**

Approval of policies, including:

11.1 Charter.

11.2 Share dealing code.

11.3 Health and safety policy.

11.4 Environmental policy.

11.5 Communications policy including procedures for the release of price sensitive information.

11.6 Corporate social responsibility policy.

11.7 Charitable donations policy.

12. **OTHER**

12.1 The making of political donations.

12.2 Approval of the appointment of the group's principal professional advisers.

12.3 Prosecution, defence or settlement of litigation.

12.4 Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of directors.

12.5 Major changes to the rules of the group's pension scheme, or changes of trustees or when this is subject to the approval of the company changes in the fund management arrangements.

12.6 This schedule of matters reserved for Board decisions.