

**GALANTAS GOLD CORPORATION**

50 Richmond Street East, Suite 101  
Toronto, Ontario M5C 1N7

**MANAGEMENT INFORMATION CIRCULAR**

containing information as at May 8<sup>th</sup>, 2009 unless otherwise noted.

**SOLICITATION OF PROXIES**

**Solicitation of Proxies by Management**

**This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of Galantas Gold Corporation (the “Company”) for use at the Annual and Special Meeting of the shareholders of the Company to be held on June 15, 2009 (the “Meeting”), at the time and place and for the purposes set forth in the accompanying Notice of Meeting and any adjournment thereof.**

**Costs and Manner of Solicitation**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, facsimile or electronically by the directors and regular employees of the Company or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares (the “Common Shares”) of the Company. **All costs of solicitation will be borne by the Company.**

**APPOINTMENT AND REVOCATION OF PROXIES**

**Appointment of Proxy**

A shareholder entitled to vote at the Meeting may, by means of a properly executed and deposited proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders of the Company, to attend and act at the Meeting for the shareholder and on the shareholder’s behalf.

The persons named as proxyholders in the accompanying form of Proxy, namely Lionel J. Gunter, Chairman, Roland Phelps, President and Chief Executive Officer and George A. Duguay, Secretary, were designated by Management (the “Management Designees”). **A SHAREHOLDER HAS THE RIGHT TO APPOINT SOME OTHER PERSON OR COMPANY (who need not be a shareholder) to represent him or her at the Meeting. Such right may be exercised by inserting such person’s or company’s name in the blank space provided in the form of Proxy and striking out the names of the Management Designees or by completing another form of Proxy.** In such event, the shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. The nominee should bring personal identification to the meeting.

A proxy will not be valid unless the completed, dated and signed form of Proxy is deposited, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, with Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or by fax at (416) 361-0470, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or adjournment thereof.

**Revocation of Proxy**

A shareholder who has given a proxy has the power to revoke it at any time before it is exercised by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the Company, and delivered either to the registered office of

the Company, 50 Richmond Street East, Suite 101, Toronto, Ontario M5C 1N7, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned, at any reconvening thereof, to the chairman of the Meeting on the day of the Meeting, or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In addition, a proxy may be revoked by a shareholder executing another form of Proxy bearing a later date and depositing the same at the offices of Equity Transfer & Trust Company within the time period and in the manner set out under the heading "Appointment of Proxy" above or by the shareholder personally attending at the Meeting, withdrawing his or her proxy and voting the shares.

### **General**

Shares represented by properly executed proxies in favour of the Management Designees **will be voted for the matters to be transacted at the Meeting (as stated herein and in the Notice of Meeting) or withheld from voting or voted against, if so indicated on the form of Proxy.**

If the instructions contained in a form of Proxy are certain, the shares represented by the proxy shall be voted on any ballot and, where a choice is specified, in accordance with the specification so made. **If no choice is indicated with respect to any matter referred to herein, the Proxy will be voted FOR such matter.**

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 to matters referred to herein and with respect to other matters which may properly come before the Meeting. In the event amendments or variations to matters referred to herein 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, Management knows of no such amendment, variation or other matter which may be presented at the Meeting.

**Unless otherwise directed, it is Management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common shares. All approvals by "disinterested shareholder vote" require the approval of the shareholders not affected by, or interested in, the matter to be approved, by way of a simple majority of the votes cast at the Meeting by disinterested shareholders.**

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

Only registered holders of Common Shares of the Company or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary (an "Intermediary") (including banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will have distributed copies of the Notice of Meeting, this Circular, and the enclosed form of Proxy (collectively, the "Meeting materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived his or her right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

1. be given a form of Proxy **which has already been signed by the Intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. This form of Proxy need not be signed by the Non-Registered

Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of Proxy and deposit it with Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or by fax at (416) 361-0470, with respect to the Common Shares beneficially owned by such Non-Registered Holder, in accordance with the instructions provided by the Intermediary, **OR**

2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar code or other information. In order for the form of Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of Proxy, properly complete and sign the form of Proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the Non-Registered Holder to direct the voting of the shares he or she beneficially owns. **Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should contact the Intermediary for instructions as to how to proceed.**

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

#### **RECORD DATE AND RIGHT TO VOTE**

The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed at the close of business on May 8<sup>th</sup>, 2009 (the “Record Date”).

Every shareholder of record at the Record Date who either personally attends the Meeting or who has submitted a properly executed and deposited form of Proxy in the manner and subject to the provisions described in “Appointment of Proxy” above, and which has not been revoked, shall be entitled to vote or to have his or her shares voted at the Meeting or any adjournment thereof.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As at the date hereof, the Company has 190,100,055 Common Shares issued and outstanding without nominal or par value outstanding and no Preferred Shares are issued and outstanding. **The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.**

The presence in person or by proxy of not less than two (2) persons holding or representing not less than 20% of the shares of the Company entitled to vote at a meeting of shareholders is necessary to constitute a quorum of shareholders.

To the knowledge of the directors and executive officers of the Company, as at the date hereof, there is no person or corporation who beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company except as indicated in the following table:

Name and Current Office (if any)	Type of Ownership	Number of Common Shares Owned or Controlled at the Effective Date	Percentage of outstanding Common Shares
<b>Roland Phelps,</b> <i>Chief Executive Officer,</i> <i>President and Director</i>	Indirect	7,105,338	18.7%
	Direct	28,433,642	

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Compensation and Corporate Governance Committee, which is composed of Messrs. Golla, Brewster and Alexander, meet regularly and review and make recommendations to the Board with respect to the compensation of the executive officers of the Company. This committee also recommends candidates for election to the Board, including the Chief Executive Officer.

Directors who are also members of management absent themselves from a meeting, or portion of a meeting, of the Board where such individual's compensation is discussed and refrains from voting in respect of the approval of such compensation.

#### *Objectives of Compensation Program*

The Company's principal goal is to create value for its shareholders. The Company believes that the compensation policies and practices of the Company should reflect the interests of its shareholders in achieving this goal.

The Company's compensation philosophy is based upon the following principal objectives: (i) aligning the interests of the Chief Executive Officer and the other officers of the Company with the interests of the Company and its shareholders; (ii) linking executive compensation to the performance of the Company and each particular officer of the Company; and (iii) attracting, motivating and retaining individuals with exceptional executive, technical, financial and other relevant skills.

The Compensation and Corporate Governance Committee reviews compensation as a whole, taking into account salary, bonuses and any other form of compensation.

#### *Annual Salaries and Performance Bonuses*

To ensure that the Company attracts and retains qualified and experienced executives, the Compensation and Corporate Governance Committee annually reviews and, if appropriate, adjusts the base salaries of its senior executives.

The performance criteria considered in determining performance bonus awards vary in accordance with the position and responsibilities of the executive of the Corporation. While not solely based on any one item, key considerations in determining performance bonuses for executives of the Corporation include the operating performance of the Corporation, the guidance and strategic vision for growth and business goals of the Corporation, the performance of the Corporation's Common Shares and other organizational indicators, as well as individual achievements that demonstrate a contribution by the executive to the Corporation. The Nominating and Compensation Committee also considers industry peer compensation in assisting it to arrive at its recommendations.

### Summary of Compensation

For the financial year ended December 31, 2008, the Company had two executive officers, who also were directors. "Executive Officer" means an individual who is the chair or vice-chair of the board of directors, president or any

vice-president in charge of a principal business unit, division or function including sales, finance or production, and an officer of the Company or its subsidiary who performs a policy-making function in respect of the Company or any other individual who performed a policy-making function in respect of the Company.

A “Named Executive Officer” means the following individuals: the CEO, CFO and the three most highly compensated Executive Officers, other than the CEO and CFO, whose total salary and bonus exceeded \$150,000 and who were serving as executive officers at the end of the most recently completed financial year and any such individuals who were not serving as an officer of the Company at the end of the most recently completed financial year. The Company has no Executive Officer whose total salary and bonus exceeded \$150,000 for the financial year ended December 31, 2008.

The following table sets forth all annual and long-term compensation paid by the Company and its subsidiaries for the Named Executive Officers.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup>	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value <sup>(1)</sup>	All Other Compensation	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans <sup>(1)</sup>			
<b>Roland Phelps</b> <sup>(2)</sup> President, Chief Executive Officer, Director	2008	\$12,062 <sup>(3)</sup>	Nil	Nil	Nil	n/a	n/a	\$6,000 <sup>(4)</sup>	\$18,062
<b>Lionel J. Gunter</b> <sup>(5)</sup> Chairman, Director	2008	\$12,062 <sup>(6)</sup>	Nil	Nil	Nil	n/a	n/a	\$6,000 <sup>(4)</sup>	\$18,062
<b>Leo O’Shaughnessy</b> <sup>(7)</sup> Chief Financial Officer	2008	nil	Nil	Nil	Nil	n/a	n/a	nil	nil
<b>Brent Routledge</b> <sup>(7)</sup> Chief Financial Officer	2008	nil	Nil	Nil	Nil	n/a	n/a	nil	nil

- (1) The Company does not have share-based, long-term incentive or pension plans.
- (2) Roland Phelps became CEO of the Company on February 4, 2005. Prior to this date Mr. Phelps was a director but had no professional dealings with the Company. Mr. Phelps assumed the duties of President of the Company from Mr. Gunter on June 6, 2005.
- (3) Roland Phelps was not paid any salary with effect from April, 2008. No accruals have been made in the Company’s financials for amounts unpaid since then.

- (4) Directors' fees.
- (5) Upon the resignation of Andrew Lee Smith from the Company on February 4, 2005, Mr. Gunter assumed the role of President, a role he subsequently relinquished to Mr. Phelps on June 6, 2005.
- (6) Lionel Gunter has not been paid any salary with effect from April, 2008. No accruals have been made in the Company's financials for amounts unpaid since then.
- (7) Leo O'Shaughnessy was appointed Chief Financial Officer on October 1, 2008. Prior thereto, Mr. O'Shaughnessy had provided services to the Company. Prior to Mr. O'Shaughnessy's appointment, Brent Routledge was Chief Financial Officer. Mr. Routledge was appointed Chief Financial Officer on December 24, 2007. After October 1, 2008, he continued as a service provider until November 18, 2008.

### Long-Term Incentive Plan

The Company does not have a Long-Term Incentive Plan for the Named Executive Officers, other than stock options granted from time to time by the board of directors under provisions of the stock option plan.

### Outstanding Option-Based Awards – Named Executive Officers

The following table sets out information concerning all awards outstanding at the end of the most recently completed financial year. This includes unexercised options held by the Named Executive Officers during 2008 and the value of unexercised options held by the Named Executive Officers as at December 31, 2008. The closing price of the Common Shares on the TSX Venture Exchange on December 31, 2008 was \$0.045. The Company does not have a share-based plan.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options
<b>Roland Phelps</b> President, Chief Executive Officer, Director	1,000,000	\$0.14	December 24, 2012	Nil
<b>Lionel J. Gunter</b> Chairman, Director	1,000,000	\$0.14	December 24, 2012	Nil
<b>Leo O'Shaughnessy</b> Chief Financial Officer	1,000,000	\$0.10	October 2, 2013	Nil

### Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table provides information regarding value vested or earned through incentive plan awards by the Named Executive Officer's during the year ended December 31, 2008.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
<b>Roland Phelps</b> President, Chief Executive Officer, Director	nil	n/a	n/a
<b>Lionel J. Gunter</b> Chairman, Director	nil	n/a	n/a
<b>Leo O’Shaughnessy</b> Chief Financial Officer	nil	n/a	n/a
<b>Brent Routledge</b> Chief Financial Officer (1)	nil	n/a	n/a

(1) Brent Routledge was Chief Financial Officer until October 1, 2008.

### Termination and Change of Control Benefits

On November 4, 2008 the Company entered into a loan agreement (the “**Loan Agreement**”) with Roland Phelps, in which Mr. Phelps would lend up to £500,000 to the Company for the purposes of working capital and capital expenditure. The Loan Agreement contains a change of control provision in which the whole amount of the loan including accrued interest will be repaid immediately in full to Mr. Phelps on a change of control. The Loan Agreement defines change of control as relating to the Company or any of its wholly owned subsidiaries.

On March 15, 2006, the Company entered into an employment agreement with Roland Phelps (the “**Employment Agreement**”) in which the Company engages Mr. Phelps to occupy the position of President and Chief Executive Officer of the Company. The Employment Agreement sets out the terms and conditions in the event that there is a change of control or in other circumstances where Mr. Phelps is terminated without cause. The Company may terminate the Employment Agreement at any time by giving a notice of termination.

If the Company terminates the Employment Agreement and Mr. Phelps' retainer thereunder without cause, in addition to any other amounts that may be payable to Mr. Phelps under the Employment Agreement up to the date of termination, the Company shall pay to Mr. Phelps an amount equal to the fees that would have been payable to Mr. Phelps had the retainer with the Company continued for the a period of six months from the date of termination plus the equivalent of one additional month of salary for every full or partial year of service subsequent to January 1, 2006, up to a total maximum of 12 months, (with fees being an amount equal to the bi-weekly instalments of £1538.46 which comprise the annual salary / base compensation which would otherwise have been payable to Mr. Phelps). In the event that a termination occurs, all stock options granted to Mr. Phelps under the stock option plan and any predecessor thereto shall immediately be vested and exercisable.

### Employment Contracts

The Company has employment contracts in place with Roland Phelps, President and CEO, Lionel J. Gunter, Chairman, Leo O’Shaughnessy, Chief Financial Officer, and had an employment contract in place with Brent Routledge, Chief Financial Officer until October 1, 2008. The Company does not, however, have in place any compensatory plan, contract or arrangement with respect to a Named Executive Officer, where a Named Executive Officer is entitled to receive more than \$100,000 from the Company or its subsidiaries, which results or will result from the resignation, retirement or any other termination of a Named Executive Officer’s employment with the Company and its subsidiaries or from a change of control of the Company or any of its subsidiaries, or a change in a Named Executive Officer’s responsibilities following a change in control.

The terms and conditions of the employment agreement between Roland Phelps and the Company, Lionel Gunter and the Company, Leo O’Shaughnessy and Brent Routledge and the Company (the “**Agreements**”) are substantially the same.

The Agreements between Roland Phelps and the Company, and Lionel Gunter and the Company, were entered into March 15, 2006, and were retroactive to January 1, 2005, automatically renewable on an annual basis. The Agreement between Brent Routledge and the Company commenced on December 21, 2007, automatically renewable on an annual basis. The Agreement between Leo O’Shaughnessy and the Company commenced on October 1, 2008, automatically renewable on an annual basis. Benefits include reimbursement for all reasonable traveller’s and other expenses incurred in connection with the performance of their respective duties, as well as 31 working days’ vacation per year.

The Company may terminate the Agreements at any time, however, the following severance schedule, based on the respective average annual earnings of Mr. Phelps, Mr. Gunter, Mr. O’Shaughnessy and Mr. Routledge and rendered to a maximum of 12 months’ equivalent earnings, is in effect:

<b>Severance Schedule</b>	
<b>Roland Phelps and Lionel Gunter</b>	
For services rendered prior to January 1, 2006:	Equivalent of 6 months’ salary.
For every full or partial year of services subsequent to January 1, 2006:	The equivalent of 1 additional month of salary.
<b>Brent Routledge</b>	
For services rendered prior to December 31, 2008:	Equivalent of 6 months’ salary.
For every full or partial year of services subsequent to December 31, 2013:	The equivalent of 1 additional month of salary.
<b>Leo O’Shaughnessy</b>	
For services rendered prior to December 31, 2008:	Equivalent of 6 months’ salary.
For every full or partial year of services subsequent to December 31, 2013:	The equivalent of 1 additional month of salary.

Each of Mr. Phelps and Mr. Gunter are paid at a rate equivalent to £40,000 per annum payable in 26 bi-weekly instalments of £1,538.46 in arrears. Mr. Routledge was paid at a rate equivalent to £58,000 per annum payable in 26 bi-weekly instalments of £2,230.77 in arrears. Mr. O’Shaughnessy is paid at a rate equivalent to €24,000 per annum payable monthly in arrears. Stock options are awarded to the board of directors of the Company.

### **Stock Option Plan**

The Company has no pension plan and no standard or other arrangement for compensation to the other directors and officers of the Company except the granting of stock options.

The Company has a stock option plan in place (the “Stock Option Plan”), as authorized by the board of directors of the Company on May 17, 2004, and approved by the shareholders of the Company on June 15, 2004, to enable the Company to attract, retain and compensate qualified persons as directors, senior officers and employees of, and consultants to the Company and its affiliates and subsidiaries by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company. The Stock Option Plan is administered by the board of directors of the Company. The option price under each option shall not be less than the discounted market price of the Common Shares, based on the market value of the Common Share on the business day immediately preceding the date of the grant and the expiry date for each option shall be established by the board of directors at the time of the grant and shall not be more than five (5) years after the date of the grant. Pursuant to the Stock Option Plan, the board of directors of the Company may allocate non-assignable and non-transferable options in respect of authorized and unissued Common Shares to the directors, senior officers, full-time employees or consultants of the Company or any affiliate or subsidiary of the Company (“Eligible Persons”). The Stock Option Plan is a “rolling” stock option plan, reserving a maximum of 10% of the issued and outstanding Common Shares of the Company, calculated at the time of the grant of the options, including any options outstanding under the existing



plan. In addition to any resale restrictions under applicable securities laws, the options granted under the Stock Option Plan will be subject to a four (4) month holding period commencing on the date of the grant, as per TSX Venture Exchange (the “Exchange”) requirements.

Options granted under the Stock Option Plan are not transferable and if an optionee ceases to be an Eligible Person, his, her or its options shall be exercisable as follows: a) if the optionee ceases to be an Eligible Person by death or permanent disability of the optionee, the options then held shall be exercisable by the optionee, the legal personal representative(s) or the estate of the optionee, as the case may be, at any time within 90 days of the date of termination of employment of the optionee; and b) if the optionee ceases to be an Eligible Person due to any other reason other than death and permanent disability, the options then held by the optionee and any and all rights to purchase Common Shares pursuant to such options, shall expire and terminate immediately as to the unvested portion thereof and, as to the vested portion thereof, shall expire and terminate on the earlier of the date of the expiry of such options in accordance with their terms and the date that is thirty (30) days from the date that the optionee ceases to be an Eligible Person.

As at the Company’s most recent financial year ended December 31, 2008, the Company granted 8,650,000 options to purchase Common Shares under the Stock Option Plan.

### Compensation of Directors

The Directors have no standard compensation arrangements, or any other arrangements, with the Company, except as herein disclosed.

The Directors had no other arrangements with the Company where they were compensated for services as consultants or experts by the Company or its subsidiaries during the financial year ended December 31, 2008.

Executive Officers of the Company who also act as Directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such Executive Officers in their capacity as Executive Officers. See “Summary of Compensation” above.

The following table provides details with respect to compensation paid to, or earned by the Directors of the Company who were not Named Executive Officers as at December 31, 2008:

Name	Fees Earned	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
<b>Ronald Alexander</b>	\$6,000	n/a	Nil	Nil	n/a	Nil	\$6,000
<b>James B. Clancy</b>	\$6,000	n/a	Nil	Nil	n/a	Nil	\$6,000
<b>James I. Golla</b>	\$6,000	n/a	Nil	Nil	n/a	Nil	\$6,000
<b>Norman E. Brewster</b>	\$6,000	n/a	Nil	Nil	n/a	Nil	\$6,000

### Outstanding Option-Based Awards - Directors

The following table sets out information concerning all awards outstanding at the end of the most recently completed financial year. This includes unexercised options held by the Directors during 2008 and the value of unexercised options held by the Directors who were not Named Executive Officers as at December 31, 2008. The

closing price of the Common Shares on the TSX-V on December 31, 2008 was \$0.030. The Company does not have a share-based plan.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options
Ronald Alexander	500,000	\$0.14	December 24, 2012	nil
James B. Clancy	500,000	\$0.14	December 24, 2012	nil
James I. Golla	500,000	\$0.14	December 24, 2012	nil
Norman E. Brewster	500,000	\$0.14	December 24, 2012	nil

#### Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table provides information regarding value vested or earned through incentive plan awards by Directors of the Company who were not Named Executive Officer's during the year ended December 31, 2008.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Ronald Alexander	nil	n/a	N/A
James B. Clancy	nil	n/a	N/A
James I. Golla	nil	n/a	N/A
Norman E. Brewster	nil	n/a	N/A

#### Other Compensation

Other than as set forth herein, the Company did not pay any other compensation to the Executive Officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the financial year ended December 31, 2008.

**EQUITY COMPENSATION PLANS**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity Compensation plans approved by securityholders	8,450,000	0.14	10,360,006
<b>Total</b>	8,450,000	0.14	10,360,006

The only compensation plan under which equity securities of the Company are authorized for issuance is the Stock Option Plan, details of which are laid out in this Circular under the heading “Executive Compensation - Stock Option Plan” and which has been approved by securityholders of the Company.

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

During the financial year ended December 31, 2008, no director, Executive Officer, officer, proposed management nominee for election as a director of the Company, nor any of their respective associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company or any subsidiary, nor has any such person been indebted to any other entity where such indebtedness is a subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding, provided by the Company.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the last financial year of the Company, or any proposed nominee for election as a director of the Company, or any known associate or affiliates of such persons in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, or as otherwise disclosed herein.

**INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Circular, the Company is not aware of any material interest, direct or indirect, of any informed person of the Company. An “Informed Person” means a director or executive officer of a reporting issuer or of a person or company that is itself an informed person or subsidiary of a reporting issuer, any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution, and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. Nor is the Company aware of any material interest, direct or indirect, of any proposed director of the company, any associate or affiliate of any informed person or proposed director, or of any person who beneficially owns or controls directly or indirectly more than 10% of the issued and outstanding Common Shares of the Company in any transaction since the commencement of the Company’s last financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### Receipt of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2008, and the accompanying auditors' report thereon will be presented at the Meeting.

### Appointment of Auditors

The shareholders of the Company will be asked to vote for the appointment of McCarney Greenwood LLP, Chartered Accountants, as auditors of the Company for the ensuing year. **Unless such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing McCarney Greenwood LLP, Chartered Accountants, as auditors for the Company for the ensuing year,** to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law. The shareholders will also be asked to approve and adopt an ordinary resolution authorizing the board of directors of the Company to fix the compensation of the auditors for the ensuing year. McCarney Greenwood LLP, Chartered Accountants, have been the auditors of the Company since February 19<sup>th</sup>, 2009.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution authorizing the board of directors of the Company to fix the compensation of the auditors for the ensuing year.**

### Election of Directors

The board of directors presently consists of six directors and these directors are being nominated for re-election.

The term of office of each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees and, unless such authority is withheld, the Management Designees, if named as proxy, intend to vote for the election of these nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Company, or with the provisions of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended. Effective April 28, 2005, the Company continued from the province of Ontario to the federal jurisdiction of Canada as if it had been incorporated under the federal laws of Canada. No class of shareholders of the Company has the right to elect a specified number of directors or to cumulate their votes for directors.

The following table sets out the names of the nominees for election as directors, the municipality in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common Shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name and Municipality of Residence <sup>(1)</sup>	Present office and Date first appointed as director	Present Principal Occupation <sup>(1)</sup>	Number of Common Shares Owned, Beneficially Held or Controlled <sup>(1)(2)</sup>	% of Class Held or Controlled
Ronald Alexander <sup>(3)</sup> Calgary, Alberta	Director September 20, 1996	President of Shunex Resources Ltd., a private company providing hydro-carbon prospect evaluations, petrophysical log analysis and well completion and recompletion services. President of Detector Exploration Ltd.	708,052	0.4%
Lionel J. Gunter <sup>(3)</sup> London, England	Executive Chairman and Director September 20, 1996	Was President of Company until April 1, 2004. Director, Iberian Minerals Corp.	16,965,441	8.9%
Roland Phelps Jersey, Channel Islands	President and Chief Executive Officer and Director February 17, 2003	Managing director of Welsh Gold PLC, a jewellery business.	35,538,980	18.7%
James B. Clancy <sup>(3)</sup> Toronto, Ontario	Director June 21, 2001	Since 1999, he has practised as an independent Financial Consultant. He is a Chartered Accountant.	184,232	0.1%
James I. Golla Mississauga, Ontario	Director June 21, 2001	Retired since 1996 after working as a journalist for the Globe and Mail since 1954.	100,000	0.1%
Norman E. Brewster Ajax, Ontario	Director July 18, 2002	Professional Geologist, Chairman and Vice-President of Iberian Minerals Corp.; Director of Spider Resources Inc. since 1999; director of Verdex Resources from 1999 to present.	NIL	N/A

**Notes:**

- (1) The information as to municipality of residence, present principal occupation or employment and number of Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date herein.
- (3) James B. Clancy, Ronald Alexander and Lionel J. Gunter are the members of the Company's audit committee (the "Audit Committee"). James B. Clancy is the Chairman of the Audit Committee. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Company's auditors. The Company does not have an executive committee.

**Confirmation of Stock Option Plan**

As described in the heading "Stock Option Plan" above, the Company has a stock option plan in place. The Plan is a 10% "rolling" stock option plan as described in Policy 4.4 of the TSX Venture Exchange ("Exchange Policy 4.4"). Under the Exchange Policy 4.4, the Company is required to obtain the approval of its shareholders for any stock option plan that is a "rolling" plan every year at its annual shareholders' meeting.

Accordingly, the shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution in substantially the form set out in Schedule “A” attached hereto, ratifying and confirming the Plan. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of this ordinary resolution to ratify and confirm the Plan.** If the Plan is not approved by the shareholders, the Company will not be in a position to offer increased incentives to its directors, officers, employees and independent consultants.

### Directorships

Each of the directors holds the following directorships of reporting issuers other than the Company:

Director	Current Directorships/Partnerships	Previous Directorships/Partnerships
Roland Phelps	None	None
Lionel J. Gunter	Iberian Minerals Corp.	None
Ronald Alexander	Detector Exploration Limited	None
Norman Brewster	Spider Resources Inc. Iberian Minerals Corp. Verdex Resources International Millennium Mining Corp	EAG Resources Karmin Operation Inc. Simberi Gold Corporation Wycliffe Resources Inc. Goldmarca Limited
James Clancy	Royal Standards Minerals Corp.	None
James Golla	Cadillac Ventures Inc.	Altair Nanotechnologies Inc. Assure Energy Inc. Apogee Minerals Limited Barton Bay Resources Inc. Radiant Energy Corp

## CORPORATE GOVERNANCE

### Board of Directors

Lionel J. Gunter is the chairman for the board of directors. The board of directors facilitates its exercise of independent supervision over management by ensuring that a majority of the members of the board of directors are independent within the meaning prescribed by Canadian securities regulations. Such regulations consider a director to be independent if, among other things, the director does not have a relationship with the Company that could be reasonably expected to interfere with the exercise of their independent judgment in their capacity as director. At present, the board of directors is composed of six directors, being Messrs. Phelps, Gunter, Clancy, Golla, Brewster and Alexander, of which Messrs. Clancy, Golla, Brewster and Alexander are considered to be independent. Messrs. Phelps and Gunter are not considered to be independent as they are executive officers and members of management of the Company.

The board of directors is responsible for approving long-term strategic plans, annual operating plans, budgets, material contracts and business transactions, strategic planning, acquisitions, and financings.

### **Orientation and Continuing Education**

The Company currently does not have any orientation or continuing education plans in place to orient new members of the board of directors. However, new directors are invited and encouraged to meet with established directors as well as the Company's legal counsel in order to better understand their role and responsibilities as a director of the Company. New directors are also provided with a complete set of the Company's public filings since its inception date, including documents pertaining to the merger that resulted in the creation of the Company.

### **Ethical Business Conduct**

In fulfilling its mandate and approving various decisions put forth by Management, the board of directors ensures that the measures Management takes comply with securities regulations and other applicable legislation. Members of the board of directors are also keenly aware of their fiduciary role to the Company as well as their individual fiduciary duties in their role as directors, all of which are set out in various pieces of provincial corporate legislation. In exercising their powers and discharging their duties, the board of directors is required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. There is personal and regular interface with management as to progress, schedule and future planning. Furthermore, there is dual control of the Company's finances and periodic and regular review. Management is regularly briefed at board of directors meetings.

### **Nomination of Directors**

As the Company's business evolves and expands, the Company will be required to increase the size of the board of directors and depth of expertise of the members of the board of directors. From time to time new directorships will be added in order to ensure that the Company continues to implement best practices and that the Company has access to the expertise required to run its operations in the most efficient manner possible. In addition, the Company will be required to replace existing directors from time to time. Currently, new candidates for the board of directors are identified by Management. Management provides close scrutiny on a personal level and has adopted procedures and policies for the appointment and remuneration of directors.

### **Compensation**

Members of the board of directors are currently compensated to act as directors for the Company and consequently Messrs. Alexander, Brewster and Golla are members of the Compensation and Corporate Governance Committee. The independent directors only are compensated as to an annual fee of \$5,000, the chair of any Committee is compensated \$500 per meeting and each director or member of a committee is compensated \$250 per meeting. This was effective January 1, 2005. In 2008, the directors' fees were accrued in the amount of \$36,000, which remained unpaid.

The board of directors determines the level of compensation based on the Company's economic performance and the responsibilities and risks involved in being an effective director of a newly established junior resource company. The board of directors considers the current compensation to adequately cover such responsibilities and risks.

### **Other Board of Directors Committees**

In addition to the Audit Committee, details of which are outlined below, the board of directors also has a Compensation and Corporate Governance Committee.

### **Assessment of the Board of Directors, the Audit Committee and Directors**

The Company does not currently have any formal procedures in place to assess the performance of the board of directors as a whole, the Audit Committee or the directors on an individual basis. However, informal discussion among the members of the board of directors and Management serves to monitor the evaluation of each director's contribution to the board of directors and, in the case of James Clancy, Ronald Alexander and Lionel J. Gunter, to

the Audit Committee, and in the case of James I. Golla, Norman Brewster and Ronald Alexander, to the Compensation and Corporate Governance Committee.

### **AUDIT COMMITTEE**

In accordance with applicable Canadian securities legislation and, in particular, Multilateral Instrument 52-110, *Audit Committees* (“MI 52-110”), information with respect to the Company’s Audit Committee is contained below. The full text of the Audit Committee Charter, as passed unanimously by the board of directors, is attached hereto as Schedule “B”.

#### **Composition of the Audit Committee**

The Audit Committee is required to have a minimum number of three members (the “Members”), all of whom must be directors of the Company. Following the election of the Proposed Nominees at the Meeting, the Audit Committee will be composed of the following individuals: James Clancy, Ronald Alexander and Lionel J. Gunter. James Clancy is to act as the Chairman of the Audit Committee.

Of the Members, Messrs. Clancy and Alexander are considered to be independent within the meaning of MI-52-110. In general terms, however, a Member is considered independent if they have no direct or indirect relationship with the Company which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of the Member’s independent judgment. Furthermore, all are financially literate in that they have the ability to read and understand a set of financial statements that are of the same breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can be reasonably expected to be raised by the Company’s financial statements.

#### **Audit Committee Oversight**

At no time during the last financial year did the Company disregard a recommendation put forth by the Audit Committee with respect to the nomination or compensation of an external auditor.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption contained in section 2.4 of MI 52-110 (*De Minimis Non-Audit Services*) with respect to the pre-approval of non-audit services by the Audit Committee, nor has the Company had to request any type of exemption from the securities regulatory authorities with respect to disclosure concerning the Company’s Audit Committee, such exemptions being granted under part 8 of MI 52-110 (*Discretionary Exemption of Securities Regulatory Authority or Regulator*).

#### **Pre-Approval Policies and Procedures for Non-Audit Services**

The Audit Committee is responsible for pre-approving all non-audit services to be provided by the external auditor to the Company other than *de minimis* non-audit services referred to in section 2.4 of MI 52-110. In particular, the Chairman of the Audit Committee is authorized to approve any non-audit services. The Audit Committee also reviews fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis. Furthermore, the Audit Committee is required to evaluate the independence and objectivity of the external auditors. The Audit Committee also has the authority to engage independent legal counsel and other advisors as it determines necessary to carry out its duties and responsibilities. The Chairman of the Audit Committee is authorized to approve any non-audit services.

#### **External Auditor Service Fees (by category)**

The aggregate fees billed by the Company’s external auditors during the last two fiscal years are set out in the table below. “Audit Fees” refer to the aggregate fees billed by the external auditor. “Audit-Related Fees” include fees for assurance and related services billed by the external auditor that are related to the performance of the audit or review



of the Company's financial statements and not reported under Audit Fees. "Tax Fees" include fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. "All Other Fees" include all fees billed by the external auditors for services not covered in the other three categories.

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2008	30,000	Nil	2,500	2,572
2007	64,607	Nil	Nil	Nil
2006	49,669	3,556	2,200	885

**Notes:**

- (1) Services rendered in connection with listing the shares of the Company on the Alternate Investment Market ("AIM") in the United Kingdom.

**Reliance on Exemption in Section 6.1 of MI 52-110**

The Company is relying upon the exemption in section 6.1 of MI-52-110 for issuers on the TSX-V which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI-52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

**OTHER BUSINESS**

Management of the Company knows of no other matters to come before the Meeting other than as set forth above and in the Notice of Meeting. Should 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.

**ADDITIONAL INFORMATION**

Financial information for the Company's recently completed financial year and other additional information concerning the Company is contained in the management and discussion and analysis, and the annual audited and interim unaudited financial statements for the Company. Shareholders may obtain copies of these documents at [www.sedar.com](http://www.sedar.com) or from the registered office the Company at 360 Bay Street, Suite 500, Toronto, Ontario M5H 2V6.

**DIRECTORS' APPROVAL**

The contents and the sending of the Notice of Meeting and this Circular have been approved by the board of directors.

Dated this 8<sup>h</sup> day of May, 2009.

**CERTIFIED CORRECT ON BEHALF  
OF THE BOARD OF DIRECTORS BY:**

*“Roland Phelps”*

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Roland Phelps  
President and Chief Executive Officer

**SCHEDULE "A"**  
**RESOLUTION OF THE SHAREHOLDERS**  
**OF**  
**GALANTAS GOLD CORPORATION**  
**(the "Company")**

**CONFIRMATION OF THE STOCK OPTION PLAN**

**WHEREAS** the Company has a "rolling" stock option plan (the "Plan") in place, as authorized by the board of directors of the Company on May 17, 2004, and approved by the shareholders of the Company on June 15, 2004;

**AND WHEREAS** the TSX Venture Exchange's policies require that shareholder approval be obtained in respect of the Plan on an annual basis.

**BE IT RESOLVED THAT:**

1. the Plan of the Company be ratified and confirmed; and
2. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolution.

**SCHEDULE “B”**  
**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**  
**OF**  
**GALANTAS GOLD CORPORATION**  
**(the “Company”)**

**I PURPOSE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of the Company.

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

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

**II AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the external auditors.

**III RESPONSIBILITIES**

**A Independent Auditors**

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall review the external auditors’ audit plan, including scope, procedures and timing of the audit.

4. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
5. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within generally accepted accounting principles that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
6. The Committee shall pre-approve all non-audit services not prohibited by law to be provided by the external auditors.
7. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
8. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
9. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

**B Financial Accounting and Reporting Process**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's discussion and analysis relating to annual and interim financial statements, earnings press releases, and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.
3. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, deems appropriate.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements other than earnings press releases, and periodically assess the adequacy of these procedures.
5. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall provide oversight to related party transactions entered into by the Company.

#### **C Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

### **IV COMPOSITION AND MEETINGS**

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, securities laws, the listing requirements of the TSX Venture Exchange, the *Canada Business Corporations Act* and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time, one of whom shall be designated by the Board to serve as Chair.
3. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
4. If within one-half of an hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one-half of an hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
7. Any member of the Committee may participate in a meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
9. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.