



**Ivanplats**

**Notice of Annual and Special Meeting of Shareholders  
and  
Management Proxy Circular  
of  
IVANPLATS LIMITED**

**DATED: April 1, 2013**



# IVANPLATS LIMITED

654 – 999 Canada Place  
Vancouver, BC V6C 3E1  
Telephone: 604-688-6630 Fax: 604-682-2060

## Notice of Annual and Special Meeting of Shareholders May 7, 2013

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting of Shareholders of **IVANPLATS LIMITED** (the “Company”) will be held in the Princess Louisa Suite at the Fairmont Waterfront Hotel, 900 Canada Place Way, Vancouver, British Columbia on Tuesday, May 7, 2013, at 9:00 AM (Pacific time) (the “Meeting”) for the following purposes:

1. to receive the Company’s audited financial statements for the financial year ended December 31, 2012 and the auditors’ report thereon;
2. to set the number of directors at eleven (11) for the ensuing year;
3. to elect directors for the ensuing year;
4. to appoint Deloitte LLP, Chartered Accountants, as auditors for the ensuing year and to authorize the directors to fix the auditors’ remuneration;
5. to consider and, if deemed advisable, to adopt with or without variation, a special resolution, the full text of which is set forth in Schedule “A” to the Management Proxy Circular, to amend the Articles of Continuation of the Company to add an advance notice requirement for nominations of directors by shareholders in certain circumstances; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The board of directors has fixed March 28, 2013 as the record date for the determination of shareholders entitled to notice of, and to vote at, this Meeting and at any adjournment(s) thereof.

A Management Proxy Circular, proxy form, the audited consolidated financial statements of the Company for the year ended December 31, 2012, the auditor’s report thereon, management’s discussion and analysis and certain other documents accompany this Notice. The Management Proxy Circular contains details of matters to be considered at the Meeting.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that his or her shares will be voted at the Meeting, is requested to complete, date and sign the enclosed proxy form and deliver it by telephone, by facsimile, by hand, by mail, by email, or by Internet in accordance with the instructions set out in the proxy form and in the Management Proxy Circular. Instructions on how to vote over the Internet are also set out in the Management Proxy Circular.**

**DATED** at Vancouver, British Columbia, this 1<sup>st</sup> day of April, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Mary Vincelli”*

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Mary Vincelli  
Corporate Secretary

**IVANPLATS LIMITED**  
**Suite 654 – 999 Canada Place**  
**Vancouver, British Columbia V6C 3E1**  
**MANAGEMENT PROXY CIRCULAR**

**SOLICITATION OF PROXIES**

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of IVANPLATS LIMITED (“Ivanplats” or the “Company”) for use at the Annual and Special Meeting (the “Meeting”) of its shareholders to be held on May 7, 2013, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Unless otherwise stated, this Management Proxy Circular contains information as at April 1, 2013.**

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited by directors, officers and regular employees of the Company personally, by telephone or by other means of electronic communication. All costs of this solicitation will be borne by the Company.

The board of directors of the Company (the “Board”) has fixed the close of business on March 28, 2013 as the record date, being the date for the determination of the registered shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”).

All references to “\$” in this Management Proxy Circular mean U.S. dollars unless otherwise indicated. References to “Cdn\$” mean Canadian dollars.

**APPOINTMENT OF PROXYHOLDERS**

**The individuals named in the accompanying proxy form are directors and/or officers of the Company. A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the accompanying proxy form, and may do so either by inserting the name or names of such persons in the blank space provided in the accompanying proxy form or by completing another suitable proxy form.**

An appointment of a proxyholder or alternate proxyholder will not be valid unless a proxy form making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing, is deposited with CIBC Mellon Trust Company:

- (a) by telephone at 1-866-230-6402 (toll free in Canada and the United States) from a touch tone phone,
- (b) by facsimile to 1-866-781-3111 (toll free in Canada and the United States) or 1-416-368-2502 (outside Canada and the United States),
- (c) by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1,
- (d) by email to [proxy@canstockta.com](mailto:proxy@canstockta.com) (French language proxies to be sent to [procuration@canstockta.com](mailto:procuration@canstockta.com)),
- (e) by hand to The Oceanic Plaza, 1600 - 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6, or
- (f) by Internet voting as described below,

and, in each case, must be received by CIBC Mellon Trust Company not later than 9:00 AM (Pacific time) on Friday, May 3, 2013, or 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment(s) or postponement(s) thereof, at which the proxy form is to be used.

In order to vote by Internet, you should have the proxy form you received available and access the website at <http://www.proxypush.ca/ivp>. You will be prompted to enter the 12-digit Control Number, which is located on the reverse side of the proxy form.

If your shares are held in street name for your account, your broker or other nominee will advise you whether you may vote through the Internet. A number of banks and brokerage firms participate in programs that permit their clients to vote their shares through the Internet.

## **REVOCATION OF PROXIES**

A shareholder who has given a proxy may revoke it:

- (a) by voting again by telephone, email or on the Internet before 9:00 AM (Pacific time) on Friday, May 3, 2013;
- (b) completing a proxy form that is dated later than the proxy form you are changing, and mailing it or faxing it to CIBC Mellon Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, 1-866-781-3111, so that it is received before 9:00 AM (Pacific time) on Friday, May 3, 2013;
- (c) sending a notice in writing from you or your authorized attorney (or, if the shareholder is a corporation, by a duly authorized officer) revoking your proxy to the corporate secretary of the Company so that it is received before 9:00 AM (Pacific time) on Friday, May 3, 2013; or
- (d) giving a notice in writing from you or your authorized attorney (or, if the shareholder is a corporation, by a duly authorized officer) revoking your proxy to the chair of the Meeting, at the Meeting.

The revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## **EXERCISE OF DISCRETION**

On a poll, the nominees named in the accompanying proxy form will vote, or withhold from voting, the Common Shares (as herein defined) represented thereby in accordance with the instructions of the shareholder. The proxy form will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the proxy form, the nominees named in the accompanying proxy form will vote the Common Shares represented by the proxy form at their own discretion for the approval of such matter.**

As of the date of this Management Proxy Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each nominee named in the accompanying proxy form intends to vote thereon in accordance with the nominee's best judgment.

## **VOTING BY NON-REGISTERED SHAREHOLDERS**

Only registered shareholders ("Registered Shareholders") of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Shareholders") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) of the Canadian Securities Administrators (the “CSA”), the Company has distributed copies of the Management Proxy Circular and the other proxy-related materials in connection with the Meeting (the “Meeting Materials”) to Non-Registered Shareholders indirectly through Intermediaries. The Company is not using the notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 - *Continuous Disclosure Obligations* as a means of sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. The Company will pay the fees and cost of the Intermediaries for their services in delivering the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

- (a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular proxy form accompanied by a page of instructions, which contains a removable label with a bar code and other information. In order for the proxy form to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the proxy form, properly complete and sign the proxy form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of common shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the proxy form, this proxy form is not required to be signed by the Non-Registered Shareholder when submitting the proxy form. In this case, the Non-Registered Shareholder who wishes to submit a proxy form should properly complete the proxy form and deposit it with the Company, c/o CIBC Mellon Trust Company, Suite 1600, The Oceanic Plaza, 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 320 Bay Street, Banking Hall Level, Toronto, Ontario, M5H 4A6.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the proxy form and insert the Non-Registered Shareholder’s name or such other person’s name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder’s Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

## **VOTES NECESSARY TO PASS RESOLUTIONS**

Pursuant to the Articles of Continuation (the "Articles") of the Company, a quorum for the transaction of business at any meeting of shareholders is at least two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

Pursuant to the *Business Corporations Act* (British Columbia) ("BCBCA") and the Articles, a simple majority of the votes cast at the Meeting is required to pass an ordinary resolution and a majority two-thirds of the votes cast at the Meeting is required to pass a special resolution.

At the Meeting, shareholders will be asked to consider and, if thought advisable, to: (i) pass an ordinary resolution to set the number of directors of the Board at eleven (11); (ii) elect directors to the Board; (iii) appoint auditors for the ensuing year and authorize the directors to set their remuneration; and (iv) pass a special resolution, the full text of which is set out in Schedule "A" of this Management Proxy Circular (the "Advance Notice Resolution"), authorizing the Company to amend the Articles to include the Advance Notice Provision (as defined and described below).

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

The Company is unaware 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 or is a proposed nominee for election as a director of the Company (or an associate or affiliate of such director, director nominee or executive officer) at any time since the beginning of the Company's last financial year in any matter to be acted upon at the Meeting other than the election of directors.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has an authorized share capital consisting of an unlimited number of Class A Common shares without par value (the "Class A Shares"), an unlimited number of Class B Common shares without par value (the "Class B Shares", and together with the Class A Shares, the "Common Shares"), and an unlimited number of Preferred shares without par value. The holders of Common Shares are entitled to receive notice of, and to attend all meetings of Ivanplats shareholders and to have one vote for each Common Share held except to the extent specifically limited by the BCBCA.

As of April 1, 2013 the Company had outstanding (i) 447,811,818 fully paid and non-assessable Class A Shares without par value, and (ii) 81,004,011 fully paid and non-assessable Class B Shares without par value. As of such date, there were no Preferred shares issued and outstanding.

A holder of record of one or more Common Shares on the securities register of the Company on the Record Date who either attends the Meeting personally or deposits a proxy form in the manner and subject to the provisions described above will be entitled to vote or to have such Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such Common Shares after the Record Date; and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred Common Shares and makes a demand to CIBC Mellon Trust Company no later than ten (10) days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

To the knowledge of the Company's directors and executive officers, as at April 1, 2013:

- (a) the only person who beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company, and the approximate number of Common Shares so owned, controlled or directed, and the percentage of voting shares of the Company represented by such shares; and

- (b) the aggregate share ownership by the current directors and executive officers of the Company as a group;

is as follows:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned <sup>(1)</sup>	Percentage of Shares Outstanding
Robert M. Friedland 150 Beach Road #25-03 The Gateway West Singapore 189720	139,535,035 <sup>(2)</sup>	25.59%
Directors and Executive Officers as a group	150,861,683 <sup>(2)(3)</sup>	27.10%

**Notes:**

- (1) Beneficial ownership is determined in accordance with applicable securities laws and generally includes voting or investment power with respect to securities. Unissued Common Shares subject to options or other convertible securities currently exercisable or convertible, or exercisable or convertible within 60 days, are deemed outstanding for the purpose of computing the beneficial ownership of Common Shares of the person holding such convertible security but are not deemed outstanding for computing the beneficial ownership of Common Shares of any other person.
- (2) Includes 135,335,035 issued Common Shares held indirectly through Newstar Securities SRL, HHC Holdings SRL and Evershine SRL, companies beneficially owned and controlled by Mr. Friedland. Also includes 4,200,000 unissued Common Shares issuable upon the exercise of stock options.
- (3) Includes 7,550,000 unissued Common Shares issuable to directors and executive officers upon exercise of incentive stock options.

**ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Management Proxy Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The Board currently consists of eleven (11) directors. The Company is requesting that the shareholders consider and, if thought advisable, approve an ordinary resolution at the Meeting to set the number of directors of the Board at eleven (11) directors.

On February 6, 2013, the Board adopted a majority voting policy (the "Majority Voting Policy"). The Majority Voting Policy states that, in an uncontested election, any nominee who receives a greater number of votes "withheld" than "for" must submit his or her resignation promptly after the Meeting, for the Nominating and Corporate Governance Committee's consideration. The Board will determine, based on the recommendation of the Nominating and Corporate Governance Committee, whether or not to accept such director's offer to resign and announce in a press release its determination (and the reasons for rejecting the resignation if applicable) within ninety (90) days following the date of the Meeting. See "Corporate Governance – Majority Voting Policy" for a further description of the Majority Voting Policy.

The following tables provide information on the nominees proposed for election to the Board. Included in these tables is information relating to each nominee's committee memberships, meeting attendance, other public company directorships, ownership of Company securities, principal occupation, business or employment and the period of time during which each has been a director of the Company. The statement as to Common Shares and other securities beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees is in each instance based upon information furnished by the nominee concerned and is as at April 1, 2013.





**Robert M. Friedland**  
Singapore  
Age: 62  
Director Since: 2000

**Director Status:**  
Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
CEO/Board  
International Finance  
Mining Industry  
Public Capital Markets  
Managing/Leading Growth

Robert Friedland is the founder of the Company and has been the Executive Chairman and director since November 2000. He was formerly President of the Company from June 2003 to May 2008.

Mr. Friedland has served as the Executive Co-Chairman of Ivanhoe Energy Inc. since May 2008 and was Deputy Chairman from June 1999 to May 2008, President from May 2008 to May 2010, and Chief Executive Officer from May 2008 to December 2011.

Mr. Friedland was the founder of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) and served as Executive Chairman and Chief Executive Officer until April 2012. He directed the assembly by Ivanhoe Mines Ltd. of a portfolio of interests in several countries over 15 years and led the company's discoveries and initial development of the Oyu Tolgoi copper-gold-silver deposits in southern Mongolia.

Mr. Friedland is also Chairman and President of Ivanhoe Capital Corporation, a private company based in Singapore that specializes in providing venture capital and project financing for international business enterprises, predominantly in the fields of energy and minerals. He was the Chairman of Potash One Inc. from May 2009 to January 2011.

In March 2012, Mr. Friedland was recognized as Mining Personality of the Year at the inaugural Asia Mining Awards, sponsored by the Mines & Money conference and the Asia Mining Club in Hong Kong, which cited his role in Mongolia's emergence as a major destination for mining investment. Ivanhoe Mines Ltd.'s Oyu Tolgoi copper-gold mining complex was voted Project Development of the Year.

Mr. Friedland received the Dealmaker of the Year award for Ivanhoe Mines Ltd. from Australia's Diggers and Dealers Mining Forum in August 2011. In June 2009, Canada's Northern Miner publishing group named Mr. Friedland one of Canada's Super Seven Dynamos who have track records of turning junior companies into major success stories. The publishing group also named him the 2006 Mining Person of the Year for his success in negotiating a strategic partnership with Rio Tinto International Holdings Limited to develop Ivanhoe Mines Ltd.'s Oyu Tolgoi project in Mongolia. The Mongolian government's Foreign Investment and Foreign Trade Agency recognized Mr. Friedland with consecutive Investor Envoy of the Year awards in 2003 and 2002.

Mr. Friedland holds a Bachelor of Arts in Political Science from Reed College.

**Principal Occupation, Business or Employment**

Founder and Executive Chairman (November 2000 – present), Executive Chairman (March 1994 – April 2012) and Chief Executive Officer (October 2010 – April 2012), Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.); Chairman (January 1991 – present) and President (July 1988 – present), Ivanhoe Capital Corporation; Founder and Executive Co-Chairman (May 2008 – present), President (May 2008 – May 2010), Chief Executive Officer (May 2008 – December 2011), and Deputy Chairman (June 1999 – May 2008), Ivanhoe Energy Inc.

Board/Committee Membership:	Attendance:		Public Board Membership:	
			Company:	Since:
Board of Directors	7 of 7	100%	Ivanhoe Energy Inc. (TSX; NASDAQ)	1995
<b>Total:</b>	<b>7 of 7</b>	<b>100%</b>		

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	135,335,035	\$573,820,548.40 <sup>(4)</sup>	See Note (6)
2012	135,335,035	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
Feb. 17, 2011	Feb. 17, 2016	6,000,000	3,600,000 / 2,400,000	\$2.40	6,000,000	\$11,040,000
Sep. 9, 2010	Sep. 9, 2015	1,000,000	600,000 / 400,000	\$1.80	1,000,000	\$2,440,000



**Ian Cockerill**  
Gauteng, South Africa  
Age: 58  
Director Since: May 2011

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
Governance  
Compensation  
Mining Industry  
International Project  
Management  
Public Capital Markets

Ian Cockerill has been a director of the Company since May 2011 and is currently the Lead Independent Director. Mr. Cockerill has more than 35 years' experience in the global resources industry.

In addition to Ivanplats, Mr. Cockerill serves on the boards of Petmin Limited, a junior natural resources company listed on the Johannesburg Stock Exchange and Alternative Investment Market, London Stock Exchange, Hummingbird Resources Limited, a gold exploration company with interests in Liberia, and Orica Limited, a mining services company. Mr. Cockerill also acts as an advisor to several other companies in the mining field.

As Chairman of the Leadership for Conservation in Africa, a not-for-profit initiative, Mr. Cockerill has been engaged in promoting conservation and sustainable development across the African continent, in partnership with the South African Parks Board, global business leaders and the International Union for Conservation of Nature.

Mr. Cockerill's involvement in the mining industry began as a geologist in 1975. He commenced work with Anglo American Corporation ("Anglo") in January 1979, where he held various managerial positions mainly in the Gold and Uranium division, later AngloGold Limited. Between 1996 and 1999, Mr. Cockerill was Executive director – Business Development and Executive Officer, African International Operations of AngloGold Limited. Subsequent to his work with Anglo, Mr. Cockerill accepted the position of Managing director and Chief Operating Officer with Gold Fields Limited in June 1999, a position he held until he was appointed President and Chief Executive Officer in July 2002. In June 2008, Mr. Cockerill joined Anglo American plc as Chief Executive Officer, Anglo Coal, responsible for all global operations until retiring from that position in December 2009.

Mr. Cockerill completed his Bachelor of Science (Hons) in Geology (Chelsea College, University of London), Master of Science in Mining-Mineral Production Management (Royal School of Mines), MDP – Unisa, and an Advanced Management Programme (Templeton College, Oxford University).

#### Principal Occupation, Business or Employment

Executive director (March 2010 – July 2010), and Executive Chairman (July 2010 – present) of Petmin Limited; Non-Executive director of Orica Limited (September 2010 – present); Non-Executive Chairman of Hummingbird Resources Ltd. UK (October 2009 – present); Chief Executive Officer of Anglo Coal (June 2008 – December 2009); Chief Executive Officer and Managing director of Gold Fields Ltd. (May 2002 – April 2008)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	5 of 7	71 %	Hummingbird Resources plc (AIM)	2009
Nominating and Corporate Governance	3 of 3	100 %	Orica Limited (ASX)	2010
Compensation and Benefits - Chair	2 of 2	100 %	Petmin Limited (AIM; JSE)	2010
<b>Total:</b>	10 of 12	83 %		

#### Common Shares Beneficially Owned, Controlled or Directed:

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	Nil	Nil	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

#### Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
Feb. 17, 2011	Feb. 17, 2016	125,000	75,000 / 50,000	\$2.40	125,000	\$230,000



Cyril Ramaphosa has been a director of the Company since 2002. Mr. Ramaphosa is the founder and Executive Chairman of Shanduka Group, a black-owned and managed investment company. He is a Chairman of the Bidvest Group Limited and MTN Group Limited and Joint Co-Chairman of Mondi Group. His other non-executive directorships include Standard Bank Group and SABMiller plc. In March 2011 Mr. Ramaphosa was appointed as Developmental Licencee for McDonald's South Africa providing him with a 20-year Master Franchise Agreement with McDonald's International.

Mr. Ramaphosa was elected as the Deputy President of the African National Congress (ANC) at the 53<sup>rd</sup> National Conference in December 2012 and was formerly the Secretary General from July 1991 to January 1997. From May 1994 to May 1996 he was Chairman of the Constitutional Assembly, which wrote South Africa's first democratic constitution. Mr. Ramaphosa was the General Secretary of the National Union of Mineworkers from December 1982 to July 1991.

Mr. Ramaphosa holds a law degree from the University of South Africa.

#### Principal Occupation, Business or Employment

Executive Chairman of Shanduka Group Pty Ltd. (March 2001 – present)

**Cyril Ramaphosa**  
Gauteng, South Africa  
Age: 60  
Director Since: May 2002

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
Mining Industry  
International Politics  
International Project  
Management  
Labour Union

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	5 of 7	71 %	SABMiller plc (LSE)	1999
<b>Total:</b>	5 of 7	71 %	MTN Group Limited (JSE)	2001
			MTN Holdings (Pty) Ltd. (JSE)	2001
			MTN International (Pty) Ltd. (JSE)	2002
			Bidvest Group Limited (JSE)	2004
			Standard Bank Group Limited (JSE)	2004
			Standard Bank of South Africa Limited (JSE)	2004
			Mondi Limited (JSE)	2004
			Alexander Forbes Equity Holdings (Pty) Limited (JSE)	2007
			Mondi Plc (LSE)	2007

#### Common Shares Beneficially Owned, Controlled or Directed:

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	1,216,666	\$5,158,663.84 <sup>(4)</sup>	See Note (6)
2012	750,000	N/A <sup>(5)</sup>	See Note (6)

#### Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



**Peter G. Meredith**  
 British Columbia, Canada  
 Age: 69  
 Director Since: May 1998

**Director Status:**  
 Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
 CEO/Board  
 International Finance  
 Mining Industry  
 Public Capital Markets

Peter Meredith has been a director of the Company since 1998.

Mr. Meredith is the former Deputy Chairman and Chief Financial Officer of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), where he was involved in overseeing Ivanhoe Mines Ltd.'s business development and corporate relations. Mr. Meredith is a member of the board of directors of Ivanhoe Mines Ltd. and also served as its Chief Financial Officer from May 2004 to May 2006, and from June 1999 to November 2001, and as its Deputy Chairman from May 2006 to April 2012. Mr. Meredith was also Chairman of SouthGobi Resources Ltd. until September 2012.

Prior to joining Ivanhoe Mines Ltd., Mr. Meredith spent 31 years with Deloitte LLP, chartered accountants, and retired as a partner in 1996. Mr. Meredith is a Chartered Accountant and is a member of the Institute of Chartered Accountants of British Columbia, the Institute of Chartered Accountants of Ontario and the Ordre des Comptables Agrées du Quebec.

Mr. Meredith was certified as a Chartered Accountant by the Canadian Institute of Chartered Accountants (1968).

**Principal Occupation, Business or Employment**

President and Chief Executive Officer, Global Mining Management Corporation (April 2006 – present); Chairman of SouthGobi Resources Ltd. (October 2009 – September 2012); Chief Executive Officer of SouthGobi Resources Ltd. (June 2007 – October 2009); Deputy Chairman of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) (May 2006 - April 2012)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	7 of 7	100 %	Great Canadian Gaming Corporation (TSX)	2000
Audit - Chair	4 of 4	100 %	Entrée Gold Inc. (TSX; AMEX)	2004
<b>Total:</b>	11 of 11	100 %	Turquoise Hill Resources Ltd. (TSX; NYSE; NASDAQ)	2005
			Ivanhoe Energy Inc. (TSX; NASDAQ)	2007
			Peregrine Diamonds Ltd. (TSX)	2013

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	813,000	\$3,447,120 <sup>(4)</sup>	See Note (6)
2012	100,000	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



Charles Russell has been a director of the Company since 2000. Currently retired, Mr. Russell has been a Chartered Mining Engineer since 1989. He has 45 years of international experience in the mining industry, over 25 of which were in Africa, during which time he acted as General Manager of National Iron Ore Company Ltd. in Liberia from January 1975 to November 1980. Mr. Russell was the General Manager of Ashanti Gold Fields Ltd. in Ghana from November 1980 to May 1983 and held senior management positions at Kilembe Mines Ltd. from July 1961 to January 1975.

Mr. Russell was the Vice President of Ivanhoe Capital Corporation from January 1993 to December 1995. He was President of Diamond Fields Resources Inc. from September 1993 to February 1994 and held senior management positions with Galactic Resources Ltd. from June 1987 to September 1992.

Mr. Russell obtained an Associateship of the Camborne School of Mines from the Camborne School of Mines, UK and is a Fellow of the Institute of Materials, Minerals and Mining.

**Principal Occupation, Business or Employment**

Retired (June 1995 – present)

**Charles Russell**  
 Guernsey, Channel Islands  
 Age: 78  
 Director Since: July 2000  
**Director Status:**  
 Independent<sup>(2)</sup>  
**Areas of Experience:**  
 Mining Industry  
 International Project  
 Management  
 Mining Engineering  
 Governance

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	7 of 7	100 %	Rye Patch Gold Corp. (TSX-V; OTCQX)	2007
Audit	4 of 4	100 %		
Nominating and Corporate Governance	1 of 3	33 %		
Sustainability - Chair	0 of 0	N/A		
<b>Total:</b>	12 of 14	86 %		

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	508,468	\$2,155,904.32 <sup>(4)</sup>	See Note (6)
2012	275,135	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



Dr. Markus Faber has been a director of the Company since 2004. Dr. Faber has over 35 years of experience in the finance industry. Dr. Faber is the Managing Director of Marc Faber Limited, an investment advisory and fund management firm based in Hong Kong. He acts as an Executive Director, an Investment Advisor, and a Fund Manager to a number of corporations, private investment funds, organizations, and individuals around the world. Dr. Faber serves as a director of NovaGold Resources Inc. and Sprott Inc. as well as a number of international investment funds. Dr. Faber is Chairman of Indochina Capital Corporation, Leopard Capital Ltd. and Leopard Cambodia Fund's GP. Dr. Faber was a director of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) from February 2002 to April 2012.

Dr. Faber publishes a widely read monthly investment newsletter entitled *The Gloom, Boom & Doom Report* and is the author of several books including *Tomorrow's Gold – Asia's Age of Discovery*. A renowned commentator on global market trends and developments, he is also a regular contributor to several leading financial publications around the world, including *Barron's*, where he is a member of the *Barron's* Roundtable.

Dr. Faber obtained a Ph.D. in Economics *magna cum laude* from the University of Zurich.

**Principal Occupation, Business or Employment**

Managing Director of Marc Faber Limited (June 1990 – present)

**Dr. Markus Faber**  
Chiang Mai, Thailand  
Age: 67  
Director Since: August 2004

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
Board  
International Finance  
Global Economics  
Mining Industry  
Compensation  
Public Capital Markets

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	6 of 7	86%	Sprott Inc. (TSX)	2010
Compensation and Benefits	2 of 2	100%	NovaGold Resources Inc. (TSX; NYSE)	2010
<b>Total:</b>	8 of 9	89%		

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	233,333	\$989,331.92 <sup>(4)</sup>	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



**William Lamarque**  
 England, United Kingdom  
 Age: 58  
 Director Since: June 2006

**Director Status:**  
 Independent<sup>(2)</sup>

**Areas of Experience:**  
 CEO/Board  
 International Finance  
 Mining Industry  
 Public Capital Markets

William Lamarque joined the Board in June 2006. Mr. Lamarque has been Managing Partner of Balor Capital Management LLC, since October 2007, and Gold Street Advisors LLC, since September 2007, companies which specialize in commodities trading and the risk management of commodity derivatives.

After being the General Manager of the China Trading Division of Jardine Matheson and Company Ltd. in Hong Kong, Mr. Lamarque joined N.M. Rothschild and Sons Ltd. in London, where he became an Executive Member of the Board of Directors, after serving for several years as China country manager for the group, based in Hong Kong, and in various banking roles in London. He subsequently became Managing director of Rothschild Inc. in New York with responsibility for the group's commodity trading and metals producer financings in the Americas. He has been a Member of the Commodity Exchange, Inc., served on the Central Bank Committee of the World Gold Council and the China Committee of International Financial Services, London (then the "British Invisibles") and is a former Chairman of the Public Affairs Committee of the London Bullion Market Association.

Mr. Lamarque has held various positions within the Hanson family's commercial and financial services group where he has been President of Hanson Capital Asia Ltd. since February 2002 and a director of Hanson Logistics Ltd. since December 2011. He has been a member of the board of directors of Handeni Gold Inc., since March 2012, as Vice Chairman, and Mundo Minerals Ltd., since May 2012, junior gold mining businesses listed respectively on the over the counter bulletin board market in New York and the Australian Securities Exchange. He has served as Chief Executive Officer, since January 2011, of Ecometals Limited, a TSX Venture Exchange listed mineral exploration company.

Mr. Lamarque won an Open Exhibition to Cambridge University (Magdalene College) where he read Classics, graduating with a Bachelor of Arts (Hons) in 1977.

**Principal Occupation, Business or Employment**

Managing Partner of Balor Capital Management LLC (October 2007 – present); President of Hanson Capital Asia Ltd. (February 2002 – present); Chief Executive Officer of Ecometals Limited (January 2011 – present)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	7 of 7	100%	Ecometals Limited (TSX-V)	2007
Audit	4 of 4	100%	Handeni Gold Inc. (OTC-BB)	2012
<b>Total:</b>	11 of 11	100%	Mundo Minerals Ltd. (ASX)	2012

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	233,333	\$989,331.92 <sup>(4)</sup>	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(6)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



William Hayden is a geologist with over 35 years experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. He has been involved with Ivanplats since the amalgamation of African Mineral Corp. with China Industrial Minerals Company Ltd. in 1998, and served as its President from May 1998 to November 2001. Since 1986, Mr. Hayden has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Mr. Hayden served as President of Ivanhoe Philippines, Inc. (which at the time was a subsidiary of Ivanhoe Mines Ltd., now Turquoise Hill Resources Ltd.) from July 2005 to December 2011.

Mr. Hayden currently serves as a director of the following publicly listed companies: China Polymetallic Mining Ltd. (since November 2011), Sunward Resources Ltd. (since September 2010), Condoto Platinum NL (since February 2011) and Globe Metals and Mining Ltd. (since November 2009). He served as a Non-Executive director of Ivanhoe Australia Ltd. from November 2006 to May 2010.

Mr. Hayden holds a Bachelor of Science (Hons) in Geology from Sierra Nevada College, Nevada.

**Principal Occupation, Business or Employment**

President and director of Ivanhoe Philippines, Inc. (July 2005 – December 2011); President of GoviEx Uranium Inc. (June 2010 – August 2011)

**William Hayden**  
New South Wales, Australia  
Age: 61  
Director Since: March 2007  
and May 1998 —  
September 2002

**Director Status:**  
Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
CEO/Board  
Mining Industry  
International Project  
Public Capital Markets

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	7 of 7	100%	Globe Metals and Mining Ltd. (ASX)	2009
Sustainability	0 of 0	N/A	Sunward Resources Ltd. (TSX; OTCQX)	2010
<b>Total:</b>	7 of 7	100%	China Polymetallic Mining Limited (HK)	2011
			Condoto Platinum NL (ASX)	2011

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	466,666	\$1,978,663.84 <sup>(4)</sup>	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A





Oyvind Hushovd joined the Board in September 2007. Mr. Hushovd currently serves on the boards of Cameco Corporation, one of the world's largest uranium producers, and Nyrstar B.V., an integrated mining and metals business with positions in zinc and lead. From March 2003 to May 2005, he was the Chief Executive Officer and Chairman of Gabriel Resources Ltd., a Canadian-based resources company, and from December 1996 to February 2002, was President and Chief Executive Officer of Falconbridge Limited.

Mr. Hushovd earned a Master of Economics and Business Administration from the Norwegian School of Business (NHH) and subsequently achieved a Master of Law Degree from the University of Oslo.

**Principal Occupation, Business or Employment**

Director of Nyrstar B.V. (December 2009 - present); director of Cameco Corporation (December 2003 – present); director of Inmet Mining Corporation (May 2002 – March 2013)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	7 of 7	100%	Cameco Corporation (TSX; NYSE) Nyrstar B.V. (EBR)	2003
Nominating and Corporate Governance - Chair	3 of 3	100%		2009
Compensation and Benefits	2 of 2	100%		
<b>Total:</b>	12 of 12	100%		

**Oyvind Hushovd**  
Norway  
Age: 63  
Director Since: September 2007

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
CEO/Board  
Mining Industry  
Compensation  
Governance  
International Project

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	1,000,000	\$4,240,000 <sup>(4)</sup>	See Note (6)
2012	1,000,000	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
N/A	N/A	N/A	N/A	N/A	N/A	N/A



**Mr. Guy de Selliers**  
 England, United Kingdom  
 Age: 60  
 Director Since: May 2011

**Director Status:**  
 Non-Independent<sup>(1)</sup>

**Areas of Experience:**  
 CEO/Board  
 International Finance  
 Mining Industry  
 Public Capital Markets

Guy de Selliers has more than 35 years experience in international finance and business. He is currently President and co-founder of HCF International Advisers Ltd., a corporate finance advisory firm focused on the mining and metals industry. Mr. de Selliers is on the board, audit committee and finance committee of Solvay S.A., a leading European chemical group (Euronext listed). He is Vice-Chairman of the Board and Chairman of the risk and capital committee of Ageas S.A., a European based insurance group with activities in Europe and Asia (Euronext listed). He is on the board and Chairman of the audit committee of AMG Advanced Metallurgical Group N.V. (a Euronext listed Dutch company). He is a director of I-Pulse Inc. and Wessex Grain Ltd. (privately held companies) and on the Advisory Board of Pamplona Private Equity. Mr. de Selliers is the Chairman of the Board of Trustees of Partners in Hope (a charity based in the United Kingdom) and Chairman of the Board of Trustees of the Renewable Energy Foundation.

Mr. de Selliers started his career in June 1977 at the World Bank in the mining division following which he worked at Lehman Brothers, as Senior Vice President, International Investment Banking. In July 1990 he became part of the team responsible for creating the European Bank for Reconstruction and Development ("EBRD"). Mr. de Selliers was Vice Chairman of the Credit Committee and a member of the EBRD's Executive Committee. After leaving EBRD in December 1997, Mr. de Selliers served as Chief Executive of MC-BBL Eastern Holdings, until its sale where upon he joined Robert Fleming and Co. Limited as board member and Chairman, Eastern Europe. He also acted as expert advisor to the European Commission on a number of issues.

Mr. de Selliers earned a Master's degree in Engineering and a Master's degree in Economics from the University of Louvain.

**Principal Occupation, Business or Employment**

President of HCF International Advisers Ltd. (March 2003 – present)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	6 of 7	86%	Solvay S.A. (EBR)	1993
<b>Total:</b>	6 of 7	86%	Ageas S.A. (EBR)	2009
			AMG Advanced Metallurgical Group N.V. (EAM)	2007

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	Nil	Nil	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
Feb. 17, 2011	Feb. 17, 2016	125,000	75,000 / 50,000	\$2.40	125,000	\$230,000



**Dr. Rilwanu Lukman**  
Austria  
Age: 74  
Director Since: February 2012

**Director Status:**  
Independent<sup>(2)</sup>

**Areas of Experience:**  
Board  
Petroleum Industry  
Mining Industry  
Mining Engineering  
Chemical Engineering  
International Politics

Dr. Rilwanu Lukman, has more than 40 years of experience in the petroleum and mining industries, and has relevant relationships at the most senior levels around the world. Dr. Lukman has served as Nigeria's Minister of Mines, Power and Steel from January 1984 to December 1985, Minister of Petroleum Resources from January 1986 to December 1989, Minister of Foreign Affairs from December 1989 to October 1990, and Chairman of the Board of Directors of the National Electric Power Authority (NEPA) from March 1993 to December 1994.

Since January 2012, Dr. Lukman has served as a Non-Executive director of International Mining + Infrastructure Corporation plc., an investment company focused on Africa's resource sector.

Prior to a reverse merger with African LNG Holdings Ltd., Dr. Lukman served as Strategic Advisor to the Board of Gasol Plc. from July 2007 to December 2008. He has served as Secretary General of the Organization of the Petroleum Exporting Countries (OPEC) from January 1995 to December 2000 and President of OPEC from March 1985 to December 1989.

Dr. Lukman is the founder of Afren PLC and served as its Non-Executive Chairman from November 2006 to December 2008. He is the founder of the African Petroleum Producers Association and served as its Chairman from March 1986 to March 1987.

Dr. Lukman received a Bachelor of Science (Engineering) in Mining from the University of London, a Postgraduate Certificate in Mining & Mineral Exploration from the University of Mining & Metallurgy, Leoben, Austria, a postgraduate in Mineral Economics from McGill University, Montreal and a Ph.D in Chemical Engineering from the University of Bologna, Italy. He also holds a Doctorate degree from the University of Maiduguri in Nigeria. Dr. Lukman holds a Doctor of Science Degree from Ahmadu Bello University, Zaria and two Honorary Doctorate degrees from Moore House College, Atlanta and the University of Benin respectively. Dr. Lukman was made a Knight of the British Empire (KBE) in 1989 and an Officer of the Legion d'Honneur of France in 1990.

**Principal Occupation, Business or Employment**

Principal of R. Lukman and Co. Limited (October 1991 – present)

Board/Committee Membership:	Attendance:		Public Board Membership	
			Company:	Since:
Board of Directors	4 of 7	57%	International Mining + Infrastructure Corporation Plc (AIM)	2012
Sustainability	0 of 0	N/A		
<b>Total:</b>	4 of 7	57%		

**Common Shares Beneficially Owned, Controlled or Directed:**

Year	Common Shares <sup>(3)</sup>	Total Market Value of Common Shares	Minimum Required
2013	Nil	Nil	See Note (6)
2012	Nil	N/A <sup>(5)</sup>	See Note (6)

**Options Held:**

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price <sup>(7)</sup>	Total Unexercised	Value of Options Unexercised <sup>(8)</sup>
Feb. 24, 2012	Feb. 24, 2017	125,000	50,000 / 75,000	\$3.00	125,000	\$155,000

**Notes:**

- (1) See the section entitled "Corporate Governance" starting on page 33 for a description of the reasons why the Company does not consider this nominee to be independent.
- (2) "Independent" refers to the standards of independence established under Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (3) "Common Shares" refers to the number of Common Shares beneficially owned, or over which control or direction is exercised, by the nominee as of April 1, 2013 and June 21, 2012, respectively. Unissued Common Shares issuable upon the exercise or conversion of convertible securities of the Company (other than incentive stock options) are deemed outstanding for the purpose of computing the beneficial ownership of Common Shares and are included in the "Common Shares". Unissued Common Shares issuable upon the exercise of incentive stock options are excluded from the "Common Shares" and are reported as "Options Held" in the tables on pages 6 through 16.
- (4) "Total Market Value of Common Shares" is calculated by multiplying the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on April 1, 2013 (converted to "\$" using the Bank of Canada noon rate – Cdn\$4.31 to \$4.24), by the number of Common Shares held by the nominee as of those dates, excluding any unissued Common Shares issuable pursuant to the exercise of share purchase warrants, incentive stock options or other convertible securities of the Company. The calculation of the "Total Market Value of Common Shares" is based on the assumption that the market value of a Class B Share is equal to the market value of a Class A Share, as at the date of this Management Proxy Circular
- (5) The Company was a private company as of that date, and insofar as there was no published market for the Common Shares, the "Total Market Value of Common Shares" for that date is not reasonably ascertainable.
- (6) The Company adopted a non-management director stock ownership policy and an executive management stock ownership policy. See the section entitled "Corporate Governance – Compensation and Benefits Committee" starting on page 39 for a descriptions of those policies.
- (7) The exercise price represents a good faith determination by the Board of the fair market value of the optioned securities based on the most recent Common Share issue price preceding the date of grant.
- (8) The "Value of Unexercised Options" is calculated on the basis of the difference between the closing price of the Common Shares on the TSX on April 1, 2013 (converted to "\$" using the Bank of Canada noon rate – Cdn\$4.31 to \$4.24) and the exercise price of the options multiplied by the number of unexercised options on April 1, 2013, vested and unvested.

**Summary of Board and Committee Meetings Held**

The following table summarizes the meetings of the Board and the committees held during the year ended December 31, 2012:

	<b>Number of Meetings</b>
Board of Directors	7
Audit Committee	4
Compensation and Benefits Committee	2
Nominating and Corporate Governance Committee	3
Sustainability Committee <sup>(1)</sup>	0

**Notes:**

- (1) The Sustainability Committee was newly formed in 2012. The Company contemplates 2 regularly scheduled meetings per year, commencing in 2013.

During 2012, all 7 meetings of the Board were held by teleconference and 7 resolutions were passed in writing by the Board. Resolutions in writing must be executed by all of the directors entitled to vote on a matter.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of management, except as disclosed herein, no director or executive officer of the Company is, as of the date of this Management Proxy Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Ivanplats) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued: (i) while such person was acting in that capacity; or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Lars-Eric Johansson served, from June 2004 to April 2006, as the Executive Vice-President and Chief Financial Officer of Kinross Gold Corporation ("Kinross"), a reporting issuer in all of the Provinces of Canada. Kinross Gold Corporation was subject to a management cease trading order issued by the Ontario Securities Commission on April 1, 2005 for failure to file its annual financial statements in the prescribed time period. Kinross became current in its filings on February 22, 2006 and the management cease trading order was lifted on that date.

To the knowledge of management, except as disclosed herein, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company is, as of the date of this Management Proxy Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Cockerill was a non-executive director of Peterstow Holdings from August 2010 to March 2012. In August 2012, Peterstow Holdings applied for an order from the High Court in Swaziland to be placed under provisional liquidation. Mr. Cockerill is a minority shareholder of Peterstow Holdings, owning less than 1% of the issued and outstanding capital of the company.

Dr. Lukman was a director of MPF Corp., Ltd. from June 2007 through September 2008 at which time the company filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court for the Southern District of Texas, in joint administration with MPF Holding U.S. LLC. During the time that Dr. Lukman was a member of the board, no board meetings were held and Dr. Lukman received no fees from the company.

Mr. Lamarque was a director of Century Mining Corporation ("Century") until it was purchased through a statutory plan of arrangement by White Tiger Gold Ltd. ("White Tiger") in October 2011. On May 25, 2012, White Tiger announced that Century had received a notice from Deutsche Bank AG, London Branch, that it was in breach of certain contractual commitments and that Deutsche Bank would be enforcing its security on the property of Century.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the 10 years before the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **STATEMENT OF EXECUTIVE COMPENSATION**

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's Chief Executive Officer (the "CEO") or Chief Financial Officer (the "CFO") during the 2012 fiscal year, and each of the three (3) most highly compensated executive officers of the Company and its subsidiaries for the 2012 fiscal year, whose annual aggregate compensation exceeded Cdn\$150,000 (collectively, the "NEOs").

## Overview for 2012

The purpose of the Company's compensation program for senior executives is to provide incentives to attract, motivate and retain qualified and experienced executives, to align their interests with the interests of the Company's shareholders, and to provide for transparent and defensible compensation.

- The Company's Compensation and Benefits Committee ("Compensation Committee") was established by the Board in May 2012. Through the Compensation Committee, the Board is committed to the transparent presentation of its compensation program.
- The three principal elements of the compensation program are: (i) base salary; (ii) performance bonuses; and (iii) long term incentives.
- In the past, up to and including 2012, compensation decisions were based on contractual negotiations, competitive market forces, retention considerations, and discretionary factors, with a focus on the completion of the Company's initial public offering, which occurred in the fourth quarter of 2012 ("IPO").
- Stock options have traditionally been awarded on an ad hoc basis, and grants have been based on a number of factors, including individual and corporate performance, retention considerations and performance motivation.
- Going forward in 2013, the Company has established a peer comparator group and an incentive compensation plan to target both short term incentives ("STI") (cash and/or securities) and long term incentives ("LTI") such as stock options as a percentage of base salary, with targets varying depending on the responsibilities of the various executive positions. While the Company intends to maintain a degree of flexibility in its compensation decisions, to account for its competitive needs and development, the Company also intends to introduce more structure to the establishment of awards, including basing annual awards on the achievement of pre-determined, measurable corporate and individual performance objectives.

## Compensation Committee

The Compensation Committee has the following responsibilities:

- reviewing and approving corporate goals and objectives for the CEO's compensation, evaluating the CEO's performance and setting the CEO's compensation level;
- reviewing and making recommendations to the Board with respect to the adequacy and form of compensation and benefits of all executive officers and directors;
- administering and making recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans;
- recommending to the Board the CEO's performance evaluation, which takes into consideration the CEO's annual objectives and performance; and
- determining the recipients of, and the nature and size of share compensation awards and bonuses granted from time to time.

All Compensation Committee members are independent directors. After its formation in May 2012, the Compensation Committee met twice during the remainder of the year. All meetings of the Compensation Committee are documented in the form of meeting minutes. The Compensation Committee is made up of the following members, all of whom have experience in dealing with compensation matters:

- Mr. Ian Cockerill has served as the Chair of the Compensation Committee since its establishment in May 2012. During his 38 year career in the natural resources sector, Mr. Cockerill has held a variety of executive management and operational roles. Since 2002, he has acted as Chief

Executive Officer of several publicly listed multi-national companies, as well as served on the boards and associated sub-committees of several of these companies. Mr. Cockerill has extensive experience with the design, motivation and implementation of compensation schemes in various international organizations, specifically in relation to working with external remuneration consultants across the globe.

- Dr. Markus Faber has served as a member of the Compensation Committee since its establishment in May 2012. Dr. Faber served as a member of the compensation and benefits committee of Ivanhoe Mines Ltd., now Turquoise Hill Resources Ltd., for over ten years. Dr. Faber has been a member of the compensation and benefits committee of Sunshine Silver Mines Corporation since September, 2011, and has similarly acted for several other private companies, including fund management companies in Asia. In these capacities, Dr. Faber worked with professional remuneration consultants on matters pertaining to executive and director compensation.
- Mr. Oyvind Hushovd has served as a member of the Compensation Committee since its establishment in May 2012. Mr. Hushovd currently serves on the compensation committee of global mining company, Cameco Corporation. Mr. Hushovd served on the compensation and benefits committee of, Canadian-based global mining company, Inmet Mining Corporation until March 2013, and was a member of the compensation and benefits committee of LionOre Mining International Limited and Western Oil Sands Inc. prior to the sale of those companies in 2007. While gaining extensive experience as an executive of Falconbridge Limited and Gabriel Resources Ltd., Mr. Hushovd collaborated with professional remuneration consultants in respect of matters pertaining to the establishment and implementation of a number of compensation programs including senior management compensation programs.

#### **Outside Consultants and Peer Comparator Group**

In establishing policies covering base salaries, benefits, annual incentive bonuses, and long term incentives, the Compensation Committee takes into consideration the recommendations of management. When the Compensation Committee considers it necessary or advisable it may retain, at the Company's expense, outside consultants or advisors to assist or advise the Compensation Committee on any matter within its mandate. The Compensation Committee has the sole authority to retain and terminate any such consultants or advisors.

During 2012, no compensation consultants were retained in respect to decisions for 2012 compensation. In the third and fourth quarters of 2012 the Compensation Committee engaged the services of the consulting firm Mercer Canada Ltd. ("Mercer") to undertake a comprehensive review of executive compensation for executive positions and other senior management positions, including the development of a comparator group, to help the Company establish its future compensation plan components with reference to its peers (the "Mercer Study").

The Mercer Study used a peer comparative group consisting of companies within a range of 50% to 200% of the Company's size on key scope indicators including market capitalization, assets and, in particular for operating companies, annual revenues. The comparator group consisted of, among others, African Minerals Ltd., AngloGold Ashanti Ltd., Aurico Gold, Centerra Gold, Dundee Precious Metals Inc., Eldorado Gold Corp., First Quantum Minerals Ltd., Gold Fields Ltd., HudBay Minerals Inc., IAMGOLD Corp., Inmet Mining Corp., Lundin Mining Corp., Oz Minerals Ltd., PanAust Ltd., Sherritt International Corp. and Vedenta Resources.

#### **Executive Compensation – Related Fees**

Mercer received \$28,557 in 2012 in connection with its executive compensation advice to the Compensation Committee.

#### **Compensation and Benefits Philosophy and Goals**

The Company's executive compensation program is administered by the Compensation Committee. The Compensation Committee has the following objectives:

- provide strong incentive for management to contribute to the achievement of the Company's short term and long term goals;
- ensure the interests of the Company's executive officers and shareholders are aligned;
- enable the Company to attract, retain and motivate executive officers of the highest calibre in light of the strong competition in the Company's industry for qualified personnel; and
- provide fair, transparent, and defensible compensation.

NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director in accordance with the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy.

### **Compensation Philosophy and Goals**

The Compensation Committee generally oversees and sets the general guidelines and principles for the Company's executive compensation policies. It assesses the individual performance of the Company's executive officers and makes recommendations relating to compensation to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Company's executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs. In the normal course, the Company's total compensation package is comprised of three principal elements: salary, bonus, and equity incentives. Certain executives receive other compensation additionally, such as housing allowance and travel expenditures.

The Compensation Committee generally meets quarterly and as needed to address issues in respect of executive compensation. The Chairman of the Compensation Committee will meet with the CEO at least annually to discuss management's corporate goals for the forthcoming year, and to complete the annual review of the CEO's performance. The Compensation Committee works with the CEO to evaluate the performance and set the compensation, including proposed salary adjustments and awards, for the other NEOs.

The Board has the responsibility of overseeing the Company's compensation program. The Board has delegated certain oversight responsibilities to the Compensation Committee but retains final authority over the compensation program and process, including approval of material amendments to or the adoption of new equity-based compensation plans and the review and approval of Compensation Committee recommendations.

### **Management of Risk**

In designing and implementing the Company's compensation policy, the Compensation Committee and the Board regularly assess the risks associated with the Company's policies and practices. During 2012, with the exception of certain agreed compensation elements that form part of certain executive's contracts, compensation decisions were largely discretionary. Going forward in 2013, the Company intends to introduce an incentive structure that focuses on a number of objectives based on the short and long term strategic goals of the Company. In doing so, the Company intends to avoid using a single metric, which in the Company's view could be distortive. Planned performance would be measured against actual achievements on a continuous basis, enabling the Board to react to any significant unanticipated risks. The Compensation Committee maintains sufficient discretion and flexibility in implementing compensation decisions such that unintended consequences in remuneration can be minimized, while still allowing the Compensation Committee to be responsive to market forces in a competitive environment.



## Compensation Decisions for 2012

The principal components of executive compensation in 2012 consisted of base salary, cash bonuses and stock options.

### *Salary*

In establishing base salaries for its officers during 2012, the Compensation Committee and Board relied on their experience and knowledge of comparable market salary levels for individuals in positions with similar responsibilities and experience, as well as contractual commitments negotiated at the time of hiring of certain NEOs. Mr. Friedland, the Company's Executive Chairman, took a salary for the first time in 2012, and his salary was set at the same level as the Company's CEO.

### *Bonuses*

Although the Company did not have a formal bonus plan in 2012, the bonuses awarded were made with a view to market levels of compensation and retention considerations pending introduction of a more formalized structure for bonus awards, which was finalized at the end of 2012, see "Compensation Decisions and Structure for 2013" on page 23. In addition to overall performance and achievements of the NEOs in 2012, a particular component of the NEO's bonus compensation awarded by the Compensation Committee and Board was the respective contributions of the NEOs to the successful completion of the Company's IPO. For 2012, each of Messrs. Friedland and Johansson received a performance bonus of \$250,000 and an IPO bonus of \$250,000; Mr. Broughton received a performance bonus of \$162,000 and an IPO bonus of \$200,000, Ms. Cloete received a performance bonus of \$90,000 and an IPO bonus of \$100,000. Mr. Gray, who was appointed Chief Operating Officer in April 2012, received an IPO bonus of \$100,000.

### *Stock Options*

During 2012, the Company granted stock options to provide long term incentive compensation for its NEOs. The 2012 awards were granted on a discretionary basis, based on the Board and the Compensation Committee's assessments of responsibilities and achievements, recognizing that at the earlier stage of development, stock option awards can help to preserve cash resources. Generally, the number of options granted to any NEO is a function of the level of authority and responsibility of the NEO, the contribution the NEO made to the business and affairs of the Company, the number of options the Company has already granted to the NEO, and such other factors as the Compensation Committee may consider relevant.

In 2012 and the first quarter of 2013, the following NEOs were granted a number of options as part of their 2012 annual compensation: as a mid-year incentive bonus, Mr. Johansson was issued 2,500,000 options exercisable at \$3.00 and expiring on April 20, 2017; as a year-end bonus, Mr. Broughton and Ms. Cloete were issued 100,000 options and 50,000 options, respectively, with each option exercisable at Cdn\$4.98 and expiring January 11, 2018; and in connection with his appointment as Chief Operating Officer, Mr. Gray was issued 1,000,000 options exercisable at \$3.00 and expiring on April 1, 2017. The options granted to Mr. Johansson and Mr. Gray vest in five equal stages with the first stage vesting on the date of grant, and the remainder in four equal annual stages commencing on the first anniversary of the date of grant. The grants to Ms. Cloete and Mr. Broughton were effected in accordance with the Company's Equity Incentive Plan (as defined herein) and shall vest in four equal parts, each representing 25% of the options, commencing on the one year anniversary of the date of grant and on each of the three anniversaries thereafter.

### *Other Compensation*

The aggregate "other compensation" received by each NEO is disclosed in the "Summary Compensation Table" below. The Company does not provide its executive officers with a pension plan.

## Compensation Decisions and Structure for 2013

For 2013 and going forward, the Compensation Committee intends to follow a compensation program for senior management, based on the recommendations by Mercer using equitable comparator group market analysis. Upon review of the comparator group in December 2012, the Compensation Committee and the Board increased the annual salaries for 2013 of Mr. Friedland and Mr. Johansson to \$650,000, Mr. Broughton to \$360,000 and Ms. Cloete to \$275,000.

Under the new compensation program, total direct compensation is intended to be comprised of annual base salaries, and STI and LTI awards, such awards intended to be based on the achievement of pre-determined, measurable corporate and/or individual performance objectives, subject to approval by the Board and recognizing that the Compensation Committee and Board will retain a significant degree of discretion in making compensation decisions. LTI awards will continue to consist of awards of stock options, such stock options subject to the terms of the Equity Incentive Plan, and STI awards of cash and/or securities of the Company, each representing annual bonus targets expressed as a percentage of base salary as set forth in the following chart:

	Executive Chairman President & CEO	Chief Operating Officer Chief Development Officer Executive Vice Presidents	Chief Financial Officer Vice Presidents
Long Term Incentive	75%	50%	30%
Short Term Incentive	75%	50%	30%

### Summary Compensation Table

The following table sets forth the total compensation paid to, or earned by, the NEOs for the Company's most recently completed three financial years.

Name and Principal Position	Year Ended Dec. 31	Salary	Share - Based Awards <sup>(1)</sup>	Option - Based Awards <sup>(2)</sup>	All Other Compensation	Total Compensation
Robert M. Friedland Executive Chairman and Director	2012	\$350,000	—	\$2,237,845	\$500,000 <sup>(3)</sup>	\$3,087,845
	2011	—	—	\$4,815,577	\$1,200,000 <sup>(4)</sup>	\$6,015,577
	2010	—	\$225,000	\$104,207	—	\$329,207
Lars-Eric Johansson President and Chief Executive Officer	2012	\$350,000	—	\$1,832,019	\$503,692 <sup>(5)(6)</sup>	\$2,685,711
	2011	\$316,667	—	\$325,207	\$503,877 <sup>(6)(7)</sup>	\$1,145,891
	2010	\$300,000	\$225,000	\$710,087	\$4,017 <sup>(6)</sup>	\$1,239,194
Marna Cloete Chief Financial Officer	2012	\$249,082 <sup>(16)</sup>	—	\$94,060	\$204,314 <sup>(8)(9)(16)</sup>	\$547,456
	2011	\$266,524 <sup>(16)</sup>	—	\$94,060	\$135,230 <sup>(9)(10)(16)</sup>	\$495,814
	2010	\$243,521 <sup>(16)</sup>	—	\$128,686	—	\$372,207
David Broughton Executive Vice President, Exploration	2012	\$359,141 <sup>(17)</sup>	—	\$40,590	\$413,609 <sup>(11)(12)</sup>	\$813,340
	2011	\$258,333	—	\$256,360	\$362,610 <sup>(12)(13)</sup>	\$877,303
	2010	\$250,000	\$225,000	\$268,615	\$116,109 <sup>(12)</sup>	\$859,724
Michael Gray Chief Operating Officer	2012	\$275,000	—	\$724,131	\$101,846 <sup>(14)(15)</sup>	\$1,100,977
	2011	—	—	—	—	—
	2010	—	—	—	—	—

**Notes:**

- (1) The value attributed to share based awards was determined with reference to the fair market value at the date of grant.
- (2) The value attributed to option grants was determined using the Black Scholes Model in accordance with the International Financial Reporting Standards ("IFRS") and the following assumptions: an estimated volatility equal to 78%; an estimated dividend yield of \$nil, a risk free rate of return equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option and an expected life approximating the term of the option.
- (3) Mr. Friedland received a bonus of \$500,000, of which \$250,000 was a success bonus for the conclusion of the IPO and the additional bonus of \$250,000 was to reflect the respective role and achievements, with a view to market levels of compensation and retention considerations.
- (4) Mr. Friedland received \$1,200,000, as a success bonus for the conclusion of the investment by Itochu Corporation ("Itochu"), a corporation incorporated under the laws of Japan, in Beales Ltd.
- (5) Mr. Johansson received a bonus of \$500,000, of which \$250,000 was a success bonus for the conclusion of the IPO and the additional bonus of \$250,000 was to reflect the respective role and achievements, with a view to market levels of compensation and retention considerations.
- (6) In 2012, Mr. Johansson received \$3,596 in health benefits (2011: \$3,877; 2010: \$4,017) and \$96 in Accidental Death and Dismemberment ("AD&D") insurance.
- (7) Mr. Johansson received \$500,000, as a success bonus for the conclusion of the investment by Itochu in Beales Ltd.
- (8) Ms. Cloete received a bonus of \$195,490, of which \$102,890 was a success bonus for the conclusion of the IPO and the additional bonus of \$92,600 was to reflect the respective role and achievements, with a view to market levels of compensation and retention considerations.
- (9) In 2012, Ms. Cloete received \$8,824 in health benefits (2011: \$10,230).
- (10) Ms. Cloete received \$125,000, as a success bonus for the conclusion of the investment by Itochu in Beales Ltd.
- (11) Mr. Broughton received a bonus of \$362,500, of which \$200,000 was a success bonus for the conclusion of the IPO and the additional bonus of \$162,500 was to reflect the respective role and achievements, with a view to market levels of compensation and retention considerations.
- (12) In 2012, Mr. Broughton received \$11,059 in health benefits (2011: \$11,816; 2010: \$9,146); in 2012 he received a housing allowance of \$31,605 (2011: \$64,409; 2010: \$22,656), a school allowance of \$Nil (2011: \$30,726; 2010: \$34,588), a family travel benefits of \$8,349 (2011: \$5,659; 2010: \$18,009) and \$96 in AD&D insurance and in 2010, he received relocation costs of \$28,661. The housing allowance, school allowance and family travel benefits were received in South African Rand (ZAR) and has been converted from "ZAR" to "\$" using the average monthly exchange rate in the month of receipt.
- (13) Mr. Broughton received \$250,000, as a success bonus for the conclusion of the investment by Itochu in Beales Ltd.
- (14) Mr. Gray received a bonus of \$100,000 as success bonus for the conclusion of the IPO.
- (15) In 2012, Mr. Gray received \$1,798 in health benefits and \$48 in AD&D insurance.
- (16) This amount was received in South African Rand (ZAR) and has been converted from "ZAR" to "\$" using the average monthly exchange rate in the month of receipt.
- (17) \$139,543 of Mr. Broughton's salary was received in South African Rand (ZAR) and has been converted from "ZAR" to "\$" using the average monthly exchange rate in the month of receipt.

**Incentive Plan Awards***Outstanding Share – Based Awards and Option Based Awards*

The following table sets forth the options granted to the NEOs, to purchase or acquire securities of the Company outstanding at the end of the financial year ended December 31, 2012.

Name	Option-Based Awards					Market or payout value of share-based awards that have not vested <sup>(3)</sup>
	Number of Common Shares underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	
Robert M. Friedland <sup>(1)</sup>	1,000,000	\$1.80	September 9, 2015	\$1,929,300	400,000	1,286,200
	6,000,000	\$2.40	February 17, 2016	\$6,277,200	3,600,000	9,415,800
Lars-Eric Johansson <sup>(1)(4)(5)</sup>	1,000,000	\$1.80	September 9, 2015	\$1,929,300	400,000	1,286,200
	2,500,000	\$3.00	April 20, 2017	\$1,007,750	2,000,000	4,031,000
Marna Cloete <sup>(1)</sup>	250,000	\$1.33	May 28, 2014	\$736,300	50,000	184,075
	500,000	\$1.80	April 8, 2015	\$964,650	200,000	643,100
	250,000	\$1.80	September 9, 2015	\$482,325	100,000	321,550
David Broughton <sup>(1)(6)</sup>	350,000	\$1.80	September 9, 2015	\$482,325	200,000	643,100
Michael Gray	1,000,000	\$3.00	April 1, 2017	\$403,100	800,000	1,612,400

**Notes:**

- (1) All option grants reported reflect the amendments to the respective individual option agreements entered into by the Company with the concerned director or officer (the "Option Agreements") as a result of the corporate reorganization (approved by the Company's shareholders on May 26, 2011) (the "Reorganization"), including the five-for-one stock split.
- (2) Calculated as the difference between the closing market price of the Common Shares on the TSX on December 31, 2012, and the exercise price of the options, multiplied by the number of vested, unexercised options. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (3) Calculated as the difference between the closing market price of the Common Shares on the TSX on December 31, 2012, and the exercise price of the options, multiplied by the number of unvested options. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (4) On April 20, 2012, Mr. Johansson was granted an additional 2,500,000 options having an exercise price of \$3.00 and an expiry date of April 20, 2017.
- (5) In 2012, Mr. Johansson exercised 6,250,000 options via an alternative exercise right, resulting in the issuance of 2,916,666 Class B Shares.
- (6) In 2012, Mr. Broughton exercised an aggregate of 2,650,000 options, of which 2,500,000 had an exercise price of \$1.60 (328,000 of which were exercised via an alternate exercise right, resulting in the issuance of 223,516 Class B Shares) and additional 150,000 options with an exercise price of \$1.80.

*Incentive Plan Awards – Value Vested or Earned during the Year*

The following table sets forth the value vested or earned during the year of option-based awards, and non-equity incentive plan compensation paid to NEOs, during the most recently completed financial year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Non-equity incentive plan compensation – Value earned during the year
Robert M. Friedland	\$2,237,845	N/A
Lars-Eric Johansson	\$1,832,019	N/A
Marna Cloete	\$94,060	N/A
David Broughton	\$40,590	N/A
Michael Gray	\$724,131	N/A

**Notes:**

- (1) The value attributed to option grants was determined using the Black Scholes Model in accordance with IFRS and the following assumptions: an estimated volatility equal to 78%; an estimated dividend yield of \$nil; a risk free rate of return

equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option, and an expected life approximating the term of the option.

### Termination and Change of Control Benefits

The Company has employment arrangements with each of its NEOs including, employment agreements and option agreements. The following sets out an estimate of the termination payments that would be payable to the Company's NEOs during the time periods and in the circumstances provided:

- (a) the Company may terminate the NEO's employment without notice, payment in lieu of notice, severance payments, damages or any sums whatsoever for cause;
- (b) the Company may terminate the employment agreement on six months' notice or payment equal to six months' base salary, plus one additional month's notice, or payment in lieu, for each year of service from the date of commencement of employment to a maximum of 20 months' notice, or payment in lieu, to an NEO, and all of such NEOs unvested stock options will be deemed to have vested, and all of such NEOs unexercised stock options will remain exercisable until the earlier of twelve months following the date of such termination and the expiry date of such options;
- (c) an NEO may terminate the employment agreement on six months' notice to the Company without payment of severance; and
- (d) if a change of control occurs and, at any time during the twelve month period following such change of control, either (i) there occurs a termination of an NEO's employment by the Company, except for with cause, or (ii) NEO resigns employment for good reason (as defined in the respective agreements for each NEO) then, in each case, in lieu of the payments on termination otherwise payable under the employment agreement, each NEO shall be entitled to receive a lump sum payment equal to his or her annual base salary, all of such NEOs unvested stock options will be deemed to have vested, and all of such NEOs unexercised stock options will remain exercisable until the earlier of twelve months following the date of such termination and the expiry date of such options.

The following is an estimate of incremental payments to the NEOs under the foregoing scenarios as at December 31, 2012:

Name	Payment of Severance	Benefits	In-the-money Value of Accelerated Options	Total
<b><i>(a) Termination by the Company for cause</i></b>				
Robert M. Friedland	—	—	—	—
Lars-Eric Johansson	—	—	—	—
Marna Cloete	—	—	—	—
David Broughton	—	—	—	—
Michael Gray	—	—	—	—
<b><i>(b) Termination by the Company by notice or payment in lieu of notice</i></b>				
Robert M. Friedland	\$204,167	—	\$10,702,000	\$204,167
Lars-Eric Johansson	\$340,491	\$1,798	\$5,670,796	\$342,289
Marna Cloete	\$260,910	\$4,412	\$1,406,631	\$265,322
David Broughton	\$297,991	\$5,530	\$979,159	\$303,520
Michael Gray	\$281,279	\$1,798	\$2,115,996	\$283,076

Name	Payment of Severance	Benefits	In-the-money Value of Accelerated Options	Total
<b>(c) Termination by the NEO on six months' notice</b>				
Robert M. Friedland	\$175,000	—	—	\$175,000
Lars-Eric Johansson	\$175,000	\$1,798	—	\$176,798
Marna Cloete	\$124,541	\$4,412	—	\$128,953
David Broughton	\$162,500	\$5,530	—	\$168,030
Michael Gray	\$250,000	\$1,798	—	\$251,798
<b>(d) Termination following Change of Control</b>				
Robert M. Friedland	\$350,000	—	\$10,702,000	\$11,052,000
Lars-Eric Johansson	\$350,000	\$3,596	\$5,670,796	\$5,670,796
Marna Cloete	\$249,082	\$8,824	\$1,406,631	\$1,406,631
David Broughton	\$325,000	\$11,059	\$979,159	\$979,159
Michael Gray	\$500,000	\$3,596	\$2,115,996	\$2,115,996

### Compensation of Directors

Following advice from Mercer and in reference to the Company's peer comparator group, the Compensation Committee and Board set fees for directors' roles on the Board, which fees commenced in the fourth quarter of 2012. Each non-management director including Mr. Cockerill, the Lead Independent Director, receives \$60,000 per annum for acting as a director of the Company. Mr. Cockerill receives an additional \$40,000 per annum for acting as the Lead Independent Director. He also received \$15,000 per annum for acting as Chairman of the Compensation Committee.

Messrs. Hushovd and Russell each receive an additional \$10,000 for acting as Chairman of the Nominating and Corporate Governance Committee, and the Sustainability Committee respectively. Mr. Meredith receives an additional \$20,000 for his duties as Chairman of the Audit Committee.

In addition, directors receive \$1,500 for each board meeting and committee meeting attended in person or by conference telephone, in addition to a travel fee for each day of travel, paid annually.

Prior to 2012, 125,000 options were issued to each of Messrs. de Selliers and Cockerill upon joining the Board and, in February 2012, 125,000 options were granted to Mr. Lukman upon his joining the Board.

The Company established a Deferred Stock Unit ("DSU") plan to provide non-executive directors of the Company with the opportunity to acquire DSUs in order to allow them to participate in the long term success of the Company and to promote a greater alignment of interests between its non-executive directors and shareholders. DSUs are notional shares that mirror the market value of the Company's shares and where the value of each unit is equal to the whole value of the underlying security. Issuances of DSUs for directors' retainers or as annual incentives in lieu of option grants are less dilutive than fully exercised stock options, as no shares are issued from treasury. The Company's DSU plan is administered by the Compensation Committee and Board which has the power to make decisions about the awarding of DSUs, including the vesting of such awards. Unless otherwise determined by the Board, DSUs will cease vesting when a director leaves the Board. Unless otherwise determined by the Compensation Committee or the Board at or after the award date, any DSUs outstanding but unvested prior to a change of control will vest upon a change of control.

The DSU plan provides non-executive directors of the Company with a quarterly grant of 2,500 DSUs, each representing an equivalent economic interest to a Common Share.

For the compensation received by directors who are executive officers, see "Summary Compensation Table" on p.24.

## Director Compensation Table

The following table sets forth the value of all compensation provided to non-management directors, excluding those directors who are also NEOs, for the Company's financial year ended December 31, 2012.

Name and Principal Position	Year Ended	Fees Earned	Share-based awards <sup>(1)</sup>	Option-Based Awards <sup>(2)</sup>	All Other Compensation	Total Compensation
	Dec. 31					
Dr. Markus Faber	2012	\$19,500	\$12,543	—	—	\$32,043
William Hayden	2012	\$18,000	\$12,543	—	—	\$30,543
Oyvind Hushovd	2012	\$25,000	\$12,543	—	—	\$37,543
William Lamarque	2012	\$19,500	\$12,543	—	—	\$32,043
Peter Meredith	2012	\$24,500	\$12,543	—	—	\$37,043
Cyril Ramaphosa	2012	\$18,000	\$12,543	—	—	\$30,543
Charles Russell	2012	\$23,500	\$12,543	—	—	\$36,043
Guy de Selliers	2012	\$18,000	\$12,543	\$44,961	—	\$75,504
Ian Cockerill	2012	\$36,250	\$12,543	\$44,961	—	\$93,754
Dr. Rilwanu Lukman	2012	\$16,500	\$12,543	\$111,394	—	\$140,436

### Notes:

- (1) Calculated on the basis of the closing price of the Common Shares on the TSX on December 31, 2012. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (2) The value attributed to option grants was determined using the Black Scholes Model in accordance with IFRS and the following assumptions: an estimated volatility equal to 78%; an estimated dividend yield of \$nil; a risk free rate of return equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option; and an expected life approximating the term of the option.

### Outstanding Option-Based Awards

The following table sets forth the options granted to the directors, excluding those directors who are also NEOs, to purchase or acquire securities of the Company outstanding at the end of the financial year ended December 31, 2012.

Name	Option-Based Awards <sup>(1)</sup>	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(3)</sup>
Dr. Markus Faber	—	—	—	—	—	—	—
William Hayden	—	—	—	—	—	—	—
Oyvind Hushovd	—	—	—	—	—	—	—
William Lamarque	—	—	—	—	—	—	—
Peter Meredith	—	—	—	—	—	—	—
Cyril Ramaphosa	—	—	—	—	—	—	—
Charles Russell	—	—	—	—	—	—	—
Guy de Selliers	125,000	125,000	\$2.40	17-Feb-2016	\$130,775	75,000	\$196,163
Ian Cockerill	125,000	125,000	\$2.40	17-Feb-2016	\$130,775	75,000	\$196,163
Dr. Rilwanu Lukman <sup>(4)</sup>	125,000	125,000	\$3.00	24-Feb-2017	\$50,388	100,000	\$201,552

**Notes:**

- (1) All option grants reported reflect the amendments to the respective Option Agreements as a result of the Reorganization, including the five-for-one stock split.
- (2) Calculated as the difference between the closing market price of the Common Shares on the TSX on December 31, 2012, and the exercise price of the options, multiplied by the number of vested, unexercised options. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (3) Calculated as the difference between the closing market price of the Common Shares on the TSX on December 31, 2012, and the exercise price of the options, multiplied by the number of unvested options. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (4) On February 24, 2012, Dr. Lukman was appointed to the Board and was granted 125,000 options, having an exercise price of \$3.00.

*Incentive Plan Awards – Value Vested or Earned during the Year*

The following table sets forth the value vested or earned during the year of option-based awards, and non-equity incentive plan compensation paid to directors, not including those directors who are also NEOs, during the most recently completed financial year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
Dr. Markus Faber	Nil	\$12,543	N/A
William Hayden	Nil	\$12,543	N/A
Oyvind Hushovd	Nil	\$12,543	N/A
William Lamarque	Nil	\$12,543	N/A
Peter Meredith	Nil	\$12,543	N/A
Cyril Ramaphosa	Nil	\$12,543	N/A
Charles Russell	Nil	\$12,543	N/A
Guy De Selliers	\$44,961	\$12,543	N/A
Ian Cockerill	\$44,961	\$12,543	N/A
Dr. Rilwanu Lukman <sup>(3)</sup>	\$111,394	\$12,543	N/A

**Notes:**

- (1) The value attributed to option grants was determined using the Black Scholes Model in accordance with IFRS and the following assumptions: an estimated volatility equal to 78%; an estimated dividend yield of \$nil; a risk free rate of return equal to the rate currently available on federal government zero-coupon bonds with a term equal to the expected life of the option; and an expected life approximating the term of the option.
- (2) Calculated on the basis of the closing price of the Common Shares on the TSX on December 31, 2012. This amount has been converted from "Cdn\$" to "\$" using the prevailing exchange rate on December 31, 2012.
- (3) On February 24, 2012, Dr. Lukman was appointed to the Board and was granted 125,000 options, having an exercise price of \$3.00.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

Equity participation is accomplished through the Company's amended and restated Employees' and Directors' Equity Incentive Plan dated May 4, 2012 (the "Equity Incentive Plan"). The Equity Incentive Plan is the only equity compensation plan the Company has in effect involving the potential issuance of securities from treasury and is intended to further align the interests of the Company's directors and management with the Company's long term performance and the long term interests of the Company's shareholders. Prior to the adoption of the Equity Incentive Plan, options were granted to certain directors, officers, employees and consultants pursuant to Option Agreements. The following information is as at April 1, 2013:



<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</b>
Equity compensation plans approved by the securityholders	N/A	N/A	N/A
Equity compensation plans not approved by the securityholders <sup>(1)</sup>	23,920,000	\$2.51	20,861,182
<b>Total</b>	<b>23,920,000</b>	<b>\$2.51</b>	<b>20,861,182</b>

**Notes:**

- (1) Includes 21,240,000 Class A Shares reserved for future issuance pursuant to issued and unexercised options under Option Agreements.

## **Equity Incentive Plan**

### *Purpose*

Pursuant to the Equity Incentive Plan, the Board may from time to time, grant to eligible participants: (i) non-transferable options; (ii) Class A Shares by way of a bonus-in-kind; and (iii) the right to participate in a common share purchase plan (the "Purchase Plan"). The purpose of the Equity Incentive Plan is to secure for the Company and its shareholders the benefits of incentives inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the Board, will be largely responsible for the Company's future growth and success.

### *Limits of Issuance*

The aggregate number of Class A Shares that may be reserved for issuance as options under the Equity Incentive Plan (excluding those allocated for issuance as bonus shares and under the Purchase Plan, as described below), together with any other security based compensation arrangements of the Company outstanding from time to time, shall not exceed 10% of the issued and outstanding Class A Shares from time to time. The Equity Incentive Plan is a "rolling plan" and, in accordance with the rules of the TSX options that have been cancelled, have expired or have been exercised will be available to be re-granted under the Equity Incentive Plan and, will not reduce the aggregate number of Class A Shares that may be subject to issuance under the Equity Incentive Plan. The aggregate number of Class A Shares which the Company may at any time reserve for issuance under the Equity Incentive Plan to: (i) any one person may not exceed 5%; and (ii) "insiders" under the Equity Incentive Plan may not exceed 10%, of the issued and outstanding Class A Shares from time to time.

### *Options Terms and Exercise Price*

The Board may at any time authorize the granting of options to such eligible participants as it may select, for the number of Class A Shares that it shall designate subject to the provisions of the Equity Incentive Plan. Each option shall have an exercise price equal to the weighted average price of the Class A Shares on the TSX for the five days on which the Class A Shares were traded immediately preceding the date of grant and have a term of five years from the date such option is granted or such greater or lesser duration as the Board may determine at the date of grant.

### *Option Vesting*

Unless otherwise determined by the Board, options shall vest (in each case to the nearest full Class A Share) in four equal parts, representing 25% of the options, commencing on the one year anniversary of the date of grant and on each of the three anniversaries thereafter.

### *Alternative Exercise*

Eligible participants may elect to, in lieu of the exercise of an option, receive that number of Class A Shares which is equal to the quotient obtained by: (i) subtracting the option exercise price per Class A Share from the weighted average price of the Class A Shares on the TSX for the five days immediately preceding the date of such election and multiplying that amount by the number of Class A Shares issuable on exercise of the options subject to election; and (ii) dividing the product obtained from (i) by the weighted average price of the Class A Shares on the TSX for the five trading days immediately preceding the date of such election.

### *Effect of Termination of Employment or Death*

Unless otherwise determined by the Board, if an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliate: (i) as a result of death, any option held by such eligible participant at the date of death shall be exercisable only to the extent that the eligible participant was entitled to exercise the option at the date of their death and only for 12 months after such date or the expiration of the option, whichever is sooner; (ii) for any reason other than death or cause, any option held by such eligible participant at the effective date thereof shall become exercisable, only to the extent that the eligible participant was entitled to exercise the option at the date, for a period of up to 90 days thereafter or the expiration of the option, whichever is sooner; or (iii) for cause, no option held by such eligible participant will be exercisable following the date on which such eligible participant ceased to be employed or to be a director, as the case may be.

### *Loans to Employees*

Subject to applicable law, the Board may at any time authorize the Company to loan money to an eligible participant (excluding any director or executive officer or equivalent thereof), on such terms and conditions as the Board may reasonably determine, to assist such eligible participant to exercise an option held by them.

### *Bonus Class A Share Issuances*

The Board shall have the right to issue or reserve for issuance, for no cash consideration, to any eligible participant, any number of Class A Shares as a discretionary bonus subject to such provisos and restrictions as the Board may determine. The aggregate maximum number of Class A Shares that may be issued in the form of a bonus will be limited to 3,000,000 Class A Shares.

### *Purchase Plan*

Eligible participants who have been continuously employed by the Company or any of its affiliates on a full-time basis for at least 12 consecutive months may, at the Board's discretion, contribute an amount equal to not more than 10% of their base salary towards the purchase of Class A Shares. In addition to the amount contributed by the eligible participant, the Company will contribute an additional amount determined by the Board, which shall not exceed the amount contributed by the eligible participant. On March 31, June 30, September 30 and December 31 in each calendar year the Company will issue to each contributing eligible participant that number of Class A Shares, rounded down to the nearest whole Class A Share, which is equal to the aggregate amount of the eligible participant's contribution and the Company's contribution divided by the weighted average price of the shares on the TSX for the 90-day period immediately preceding the date of issuance. The aggregate maximum number of shares that may be issued pursuant to this Purchase Plan will be limited to 3,000,000 Class A Shares.

If an eligible participant dies or otherwise ceases to be employed by the Company or any of its affiliates for any reason or receives notice from the Company of the termination of his or her employment, any amounts contributed by the eligible participant but not yet applied to the purchase of Class A Shares shall be paid to the eligible participant or their estate or successor as the case may be.

To date, the Board has not made the Purchase Plan available for participation by its eligible employees.

## Amendments

The Board may amend the terms of the Equity Incentive Plan except in those circumstances set forth in the Equity Incentive Plan as requiring shareholder approval and as required by applicable securities regulatory authorities or any stock exchange upon which the Class A Shares are then listed.

### Securities Issued and Unissued under the Equity Incentive Plan

As at April 1, 2013, there are 447,811,818 Class A Shares of the Company issued and outstanding. Pursuant to the Equity Incentive Plan and based on the current outstanding Class A Shares of the Company, Class A Shares reserved for issuance under the Equity Incentive Plan would be as follows:

	Number of Class A Shares	% of Issued and Outstanding Class A Shares <sup>(2)</sup>
Class A Shares reserved for future issuance pursuant to issued and unexercised options under the Equity Incentive Plan <sup>(1)</sup>	2,680,000	0.6%
Unissued Class A Shares available for future option grants under the Equity Incentive Plan <sup>(3)</sup>	20,861,182	4.7%
Maximum number of Class A Shares available for issuance under the Equity Incentive Plan	44,781,182	10%

#### Notes:

- (1) Excludes 21,240,000 Class A Shares reserved for future issuance pursuant to issued and unexercised options under Option Agreements.
- (2) Based on 447,811,818 outstanding Class A Shares of the Company.
- (3) Calculated as the difference between the maximum number of Class A Shares available for issuance under the Equity Incentive Plan and the sum of all Class A Shares reserved for future issuance pursuant to issued and unexercised options under the Equity Incentive Plan and the Option Agreements (as described in Note (1) above).

### Option Agreements

Each of the options issued under an Option Agreement has a term of five years from the date of the grant. Options vest over a four year period. Upon issuance, 20% of the options issued vest immediately and the remaining portion vest on the anniversary date of the date of grant each year thereafter at the rate of 20% per annum over the four-year period. The Board has also authorized the holders of options to utilize alternative exercise rights in a manner substantially the same as that applicable under the Equity Incentive Plan.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, at no time during the Company's most recently completed financial year was any director, executive officer or proposed management nominee for election as a director of the Company or any associate of any such director, executive officer or proposed nominee indebted to the Company or any of its subsidiaries, or to another entity where such indebtedness is or 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.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, the Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The Company is a party to a cost sharing agreement with other companies, some of which Mr. Friedland, Executive Chairman of the Company, has a material direct or indirect beneficial interest in. These other companies include Turquoise Hill Resources Ltd. (TSX; NYSE; NASDAQ), SouthGobi Resources Ltd. (TSX; SEHK), Ivanhoe Energy Inc. (TSX; NASDAQ), Ivanhoe Capital Corporation, GoviEx Uranium Inc. and I-Pulse Inc. Through these agreements, the Company shares, on a cost-recovery basis, office space, furnishings, equipment and communications facilities in Vancouver, Singapore and London, and an aircraft. The Company also shares the costs of employing administrative and certain management personnel in these offices. The companies party to the cost sharing agreement with Ivanplats and Mr. Friedland's ownership interests in each of them, as at December 31, 2012, are as follows:

Corporation Name	R.M. Friedland Ownership Interest
Turquoise Hill Resources Ltd.	10.08%
Ivanhoe Energy Inc.	16.78%
Ivanhoe Capital Corporation	100%
SouthGobi Resources Ltd.	— <sup>(1)</sup>
GoviEx Uranium Inc.	—
I-Pulse Inc.	27.22%

**Notes:**

- (1) As at December 31, 2012, Mr. Friedland owned 10.08% of the common shares of Ivanhoe Mines Ltd., now Turquoise Hill Resources Ltd., which owned 57.60% of the common shares of SouthGobi Resources Ltd.

## APPOINTMENT OF AUDITORS

Shareholders will be asked to appoint an auditor for the ensuing year. If there is more than one nominee for appointment as the Company's auditor, the nominee receiving the greatest number of votes will be appointed. If there is only one nominee for appointment as auditor, such nominee will be declared appointed by acclamation.

Deloitte LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as the Company's auditors at a remuneration to be fixed by the directors. Deloitte LLP has been the Company's auditors since May 1998.

## MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not performed by a person or persons other than the directors or senior officers of the Company.

## CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "Disclosure Instrument") requires the Company to disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – *Corporate Governance Guidelines* (the "Guidelines") that the CSA believe reflect a "best practices" standard to which they encourage Canadian public companies to adhere.

The following is a discussion of each of the Company's corporate governance practices for which disclosure is required by the Disclosure Instrument. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended by the Guidelines.

## **Board of Directors**

### *Director Independence*

For the purposes of the Disclosure Instrument, a director is independent if he or she has no direct or indirect material relationship with the Company. A “material relationship” is one which could, in the view of the Board, reasonably be expected to interfere with the exercise of the director’s independent judgment. Certain specified relationships will, in all circumstances, be considered, for the purposes of the Disclosure Instrument, to be material relationships.

As of the date of this Management Proxy Circular, the Board consists of seven (7) individuals who are independent and four (4) individuals who are not independent, when applying the criteria prescribed by the Disclosure Instrument. If all of management’s nominees are elected as directors at the Meeting, the Board will consist of seven (7) individuals who are independent and four (4) individuals who are not independent.

The current independent directors are: Charles Russell, Cyril Ramaphosa, Dr. Markus Faber, William Lamarque, Oyvind Hushovd, Ian Cockerill, and Dr. Rilwanu Lukman. Mr. Ian Cockerill has been appointed as the Lead Independent Director of Ivanplats, whose mandate in this regard is to act in a leadership role on behalf of all independent directors.

Robert M. Friedland (the Chairman of the Board), Peter Meredith, William Hayden and Guy de Selliers are not independent for the purposes of the Disclosure Instrument. Mr. Friedland is the founder and Executive Chairman of the Company. Mr. Meredith has been determined to be not independent at this time by virtue of his historical close business relationship with Mr. Friedland, including their prior roles as senior executives of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.). Mr. Hayden is not independent due to his role as an executive in companies controlled by Mr. Friedland and because he is a former executive of the Company. Finally, Mr. de Selliers is not independent as a result of his material interest in HCF International Advisors, a firm who has provided financial advisory services to Ivanplats.

### *Other Directorships*

For information respecting those companies that are reporting issuers (or the equivalent) in Canada or elsewhere in which any of the directors of the Company also act as directors, please see the section entitled “Election of Directors” starting on page 5 of this Management Proxy Circular.

### *Meetings of Independent Directors*

The Company’s non-management directors hold regularly scheduled meetings at which members of management are not present. However, insofar as the non-management directors are not all independent directors (for example, Mr. Meredith is a non-management director but is not considered independent), the Company’s practice in this regard has not, to date, been consistent with the Guidelines, which recommend that meetings at which only independent directors attend should be held.

However, both the Nominating and Corporate Governance Committee and the Compensation Committee are comprised solely of independent directors. The independent directors on each committee at times go “in camera” in their committee meetings and request that any non-independent directors and members of management who may be attending such meetings as guests excuse themselves. Any committee member can request that any part of a committee meeting be held on an in camera basis at any time. Accordingly, the Board believes that the committee meetings provide an adequate forum in which to facilitate open and candid discussion among the Company’s independent directors. Each of the Nominating and Corporate Governance Committee and the Compensation Committee met three (3) and two (2) times, respectively, during 2012.

In the future, the Company intends to hold regularly scheduled meetings, separate from and in addition to, the committee meetings referred to above, at which non-independent directors and members of management will not be present. It is expected that the holding of these meetings will bring the Company’s governance practices in this regard into alignment with those recommended by the Guidelines.

### *Independence of Board Chair*

The Executive Chairman is a non-independent director. However, Ian Cockerill, the Independent Lead Director of the Board, is an independent director. Mr. Cockerill's responsibilities include:

- providing a source of Board leadership;
- ensuring that the Board functions effectively and independently of management;
- overseeing the quality of the information sent to directors;
- acting as a facilitator with respect to interaction among the independent directors and between management and the independent directors;
- chairing any meetings of the independent directors held from time to time; and
- overseeing the governance obligations of the Board and its committees generally.

### *Meeting Attendance Records*

For information concerning the number of Board and committee meetings held in 2012 and the attendance record of each director in respect of those meetings, please see the section entitled "Election of Directors" starting on page 5 of this Management Proxy Circular.

### *Mandate of the Board*

Under the BCBCA, the directors of the Company are required to manage the Company's business and affairs, and in doing so to act honestly and in good faith with a view to the best interests of the Company. In addition, each director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is responsible for supervising the conduct of the Company's affairs and the management of its business, including setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives, supervising senior management in their implementation and reviewing the principal risks inherent in the Company's business. Although the Board delegates the responsibility for managing the day to day affairs of the Company to senior management personnel, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The obligations of the Board must be performed continuously, and not merely from time to time, and in times of crisis or emergency the Board may assume a more direct role in managing the affairs of the Company.

The Board strives to ensure that actions taken by the Company are in the best interest of the Company's shareholders. The Board's strategic planning process includes annual and quarterly budget reviews and approvals, reviews of the operations and risk issues at each Board meeting, and annual reviews of the Company's resources, which are required to carry out the Company's growth strategy and to achieve its objectives. In addition to those matters that must, by law, be approved by the Board, the Board is required to approve annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, long term strategy, organizational development plans and the appointment of senior executive officers. The Board periodically reviews the mandate of the Company and supplements it as required from time to time.

The Board fulfills its mandate through direct oversight, setting policy, appointing committees and appointing officers of the Company. Specific responsibilities include the following:

1. Approving the issuance of any securities of the Company.
2. Approving the incurrence of any debt by the Company outside the ordinary course of business.

3. Reviewing and approving the annual and quarterly capital and operating budgets.
4. Reviewing and approving major deviations from the capital and operating budgets.
5. Approving the annual audited consolidated financial statements and interim consolidated financial statements, including the management discussion & analysis, information circulars, annual information forms, annual reports, offering memorandums and prospectuses.
6. Approving material investments, dispositions and joint ventures, and approving any other major initiatives outside the scope of approved budgets.
7. Reviewing and approving the Company's strategic plans, adopting a strategic planning process and monitoring the Company's performance.
8. Reviewing and approving the Company's incentive compensation plans.
9. Determining the composition, structure, processes, and characteristics of the Board and the terms of reference of committees of the Board, and establishing a process for monitoring the Board and its directors on an ongoing basis.
10. Appointing a nominating and corporate governance committee, an audit committee, a compensation and benefits committee and other committees and delegating to any such committees powers of the Board as appropriate and legally permissible.
11. Nominating the candidates for the Board to the shareholders, based on recommendations from the nominating and corporate governance committee.
12. Ensuring an appropriate orientation and education program for new directors is provided.
13. Determining whether individual directors meet the requirements for independence under applicable regulatory requirements.
14. Monitoring the ethical conduct of the Company and ensuring that it complies with applicable legal and regulatory requirements.
15. Ensuring that the directors that are independent of management have the opportunity to meet regularly.
16. Reviewing its mandate and other Board policies and terms of reference for committees of the Board in place from time to time and propose modifications as applicable.
17. Appointing and monitoring the performance of senior management, formulating succession plans for senior management and, with the advice of the Compensation Committee, approving the compensation of senior management.
18. Ensuring policies and processes are in place for identifying principal business risks and opportunities for the Company, addressing the extent to which such risks are acceptable to the Company, and ensuring that appropriate systems are in place to manage risks.
19. Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems.
20. Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.
21. Exercising direct control during periods of crisis.

22. Serving as a source of advice to senior management, based on directors' particular backgrounds and experience.
23. Ensuring that the directors have direct access to management and, as necessary and appropriate, independent advisors.
24. Ensuring evaluations of the Board and its committees are carried out at least annually.

### **Position Descriptions**

The Board has not adopted a written position description for the Executive Chairman, Mr. Friedland. To date the scope of duties of the Executive Chairman has been tailored to the unique skills, talents and experience that Mr. Friedland possesses and includes strategic planning, corporate and business development, fundraising and value creation.

The Board has not developed written position descriptions for the chairs of its committees. The Company expects that the chairs will assume a leadership role in the committees, and that written position descriptions may, in the future, be developed.

The Board has not developed a written position description for its Chief Executive Officer, Mr. Johansson.

### **Orientation and Continuing Education**

#### *Board Orientation*

The Board is responsible for the orientation and education of new members of the Board and all new directors are provided with copies of the Company's policies, although a formal orientation and education process has not been adopted. Prior to joining the Board, each new director is briefed by management of the Company. This briefing includes an outline of the business and prospects of the Company, both positive and negative, with a view to ensuring that such director is properly informed to commence his or her duties as a director. Each new director is also given the opportunity to meet with the auditors and counsel to the Company, and to make site visits to the Company's properties.

#### *Continuing Education*

Management and outside advisors provide information to the Board and its committees 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. In addition, directors are encouraged to take courses relevant to the Company and its business, particularly with respect to corporate governance and the mining industry.

### **Ethical Business Conduct**

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Company has adopted a code of conduct (the "Code") which addresses the Company's continuing commitment to integrity and ethical behaviour. The Code establishes procedures that allow directors, officers and employees of the Company to confidentially submit their concerns to the Lead Independent Director regarding questionable ethical, moral, accounting or auditing matters, without fear of retaliation. A copy of the Code is available for review at the corporate head office of the Company during business hours. Compliance with the Code is maintained primarily through the reporting process within the Company's organizational structure.

The Company uses a confidential and anonymous reporting system that allows individuals to report suspected illegal, unethical or improper conduct in violation of the Code through the Internet or a toll-free telephone number. The reporting system is run by an independent third party and generates reports for the Company's Ethics and Compliance Officer and the Audit Committee. The Ethics and Compliance Officer reviews the reports with the Chair of the Audit Committee as they are received and investigates any alleged breaches of the Code.



Certain members of the Board are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Where such a conflict involves a particular Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the Company), such Board member will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting of the Company considering such contract or transaction in accordance with applicable law. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. In rare instances, if deemed appropriate, the Company may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

### **Audit Committee**

The Audit Committee is comprised of Peter Meredith (Chair), Charles Russell, and William Lamarque, each of whom is “financially literate” within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) of the CSA. Charles Russell and William Lamarque are “independent” within the meaning of NI 52-110.

The Company is relying on the exemption from the independence requirement for all Audit Committee members set forth in Section 3.2(2) of NI 52-110, which limits the application of Section 3.1(3) of NI 52-110 for a period of one year from the date that the Company became a reporting issuer in Canada, provided that the Board has determined that the reliance on the exemption will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of NI 52-110. This exemption is being relied upon in respect of Mr. Meredith, who serves on the Audit Committee of the Company and has a material connection to Mr. Friedland, the Company’s largest shareholder and, as a result, is not independent. The reason the Company appointed Mr. Meredith to the Audit Committee is because of his in-depth accounting expertise as a Chartered Accountant. The Board has determined the reliance on Section 3.2(2) of NI 52-110 will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of NI 52-110.

The Company has adopted an Audit Committee charter which codifies the mandate of the Audit Committee, and specifically defines the relationship with, and expectations of, the external auditors, including the establishment of the independence of the external auditor and the approval of any non-audit mandates of the external auditor; the engagement, evaluation, remuneration and termination of the external auditor; its relationship with, and expectations of, the internal auditor function and its oversight of internal control; and the disclosure of financial and related information. The Board will review and reassess the adequacy of the Audit Committee charter on an annual basis.

A copy of the Audit Committee’s charter may be obtained upon request to the Corporate Secretary, 654 - 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone (604) 688-6630.

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee, consisting of Messrs. Hushovd (Chair), Cockerill and Russell, to assist the Board with the nomination of directors. The role of the Nominating and Corporate Governance Committee is to, amongst other things: (i) identify individuals qualified to become members of the Board and Board committees; and recommend that the Board select such persons as nominees for appointment or election to the Board; (ii) develop and recommend to the Board corporate governance guidelines for the Company and make recommendations to the Board with respect to corporate governance practices; and (iii) establish such permanent or ad hoc committees as it deems necessary for the purposes of assisting in the corporate governance of the Company. All members shall have a working familiarity with corporate governance practices.

In fulfilling its responsibilities to identify individuals qualified to become members of the Board, the committee will consider: (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) the skill set of each nominee relative to the balance of skills required by the Board and

its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board or the Nominating and Corporate Governance Committee from time to time.

A copy of the Nominating and Corporate Governance Committee's charter may be obtained upon request to the Corporate Secretary, 654 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone (604) 688-6630.

### **Compensation and Benefits Committee**

The Board's mandate includes reviewing and approving compensation for the directors and officers of the Company. The Board has established the Compensation Committee, which is currently comprised of Messrs. Cockerill (Chair), Hushovd and Faber.

The individuals comprising the Compensation Committee have acted as directors and executive officers for a variety of publicly listed and private companies. As a group, such directors have several years of directorship experience and each director has been a regular attendee at Board meetings. The Company believes that the directors' experiences in this regard are relevant to their responsibilities in determining executive compensation and enables them to make decisions on the suitability of the Company's compensation policies and practices.

The Compensation Committee's mandate includes establishing an overall compensation policy for the Company and monitoring its implementation, with special attention devoted to the executive group. In particular, the Compensation Committee is responsible for reviewing and making recommendations to the Board periodically regarding the Company's remuneration and compensation policies, including short and long term incentive compensation plans and equity-based plans, bonus plans, executive stock option plans and grants and benefit plans (including the group life and health program). In this regard, the Compensation Committee has the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The Compensation Committee meets at least annually to fulfill its mandate.

The Company has adopted a corporate policy to encourage non-management directors to invest in the Common Shares of the Company by requiring each non-management director to hold Common Shares having an aggregate market value equal to not less than one (1) times the basic annual retainer for non-management directors. Each non-management director is expected to meet this minimum threshold by the later of (i) the third anniversary following his initial appointment or election to the Board and (ii) two (2) years following the date of adoption of the policy by the Company.

The Company has also adopted a corporate policy to align the interests of the Company's executive management with the interests of its shareholders by requiring the executive officer to hold Common Shares having an aggregate market value equal to not less than one (1) times his annual base salary within five years by the later of (i) the date of commencement of his employment as executive officer or (ii) the adoption of the policy by the Company.

The level of compensation for the Board and its committees will be reviewed periodically by the Compensation Committee, which makes recommendations to the Board with respect thereto.

A copy of the Compensation Committee's charter may be obtained upon request to the Corporate Secretary, 654 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone (604) 688-6630.

### **Board Committees**

In addition to the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, the roles of which have been discussed above, the Board has also created the Sustainability Committee.

## *Sustainability Committee*

The Sustainability Committee is comprised of Messrs. Russell (Chair) and Hayden and Dr. Lukman, two of whom are independent and one of whom is not independent. The Board has determined that the input of management is important in reviewing the environmental affairs of the Company and the sustainability committee liaises with the management of Ivanplats on an as needed basis.

The Sustainability Committee is responsible for establishing and reviewing the Company's safety, health and environmental policies; monitoring effectiveness of, and compliance with, such policies; and receiving audit results and reports from management regarding sustainability performance.

### **Assessments**

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors. Notwithstanding the foregoing, the newly-constituted Nominating and Corporate Governance Committee will, as part of its mandate: (i) examine the size and composition of the Board and recommend adjustments from time to time to ensure that the Board is of a size and composition that facilitates effective decision-making; (ii) identify and assess the necessary and desirable competencies and characteristics for the Board and the extent to which those competencies and characteristics are represented thereon; (iii) ensure that the Board has appropriate structures and procedures in order to function with the proper degree of independence from management; (iv) review practices and procedures of the Board in light of ongoing developments in securities law, stock exchanges and regulatory requirements, and industry best practices, relating to matters of corporate governance; and (v) review and reassess the adequacy of the Company's corporate governance policies, practices and procedures annually and recommend to the Board any changes deemed appropriate by it.

### **Majority Voting Policy**

On February 6, 2013, the Board adopted a majority voting policy, which requires that, in an uncontested election, any nominee for director with respect to whom a majority of the votes represented by proxies validly deposited prior to the Meeting are "withheld" from his or her election (a "Majority Withheld Vote"), submit his or her resignation to the Nominating and Corporate Governance Committee for consideration following the Meeting.

The Nominating and Corporate Governance Committee must consider the resignation, and make a recommendation to the Board whether or not to accept it. The Board must consider the recommendation of the Nominating and Corporate Governance Committee, and determine whether or not to accept the recommendation. A press release disclosing the Board's determination (and the reasons for rejecting the resignation, if applicable) must be issued within 90 days following the date of the Meeting.

Any director who tenders his or her resignation is not entitled to participate in any meeting of the Nominating and Corporate Governance Committee, if he or she is a member of that committee, or of the Board to consider whether his or her resignation should be accepted.

In a contested election, where the number of director nominees exceeds the number of directors to be elected, a plurality vote standard will continue to apply.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Advance Notice Provision**

The Board has determined that it is in the best interests of the Company for the Company to amend the Articles to include new rules regarding advance notice for the nomination of directors (the "Advance Notice Provision") and are recommending that shareholders, at the Meeting, pass a special resolution to adopt the Advance Notice Provision. The Advance Notice Provision will: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all

nominees; and (iii) allow shareholders to register an informed vote. The full text of the proposed amendment is set out in the attached Schedule "B".

#### *Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to provide shareholders, directors, and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which shareholders must submit director nominations to the Company prior to any annual or special meeting of shareholders, and specifies the information that a shareholder must include in the proper form of notice to the Company.

#### *Effect of the Advance Notice Provision*

Subject only to the BCBCA, only persons who are nominated in accordance with the Advance Notice Provision will be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made for any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors ("Meeting of Shareholders"): (i) by or at the direction of the Board; (ii) by or at the direction or request of shareholder(s) pursuant to a proposal or requisition of such shareholder(s) made in accordance with the BCBCA; or (iii) by any person (a "Nominating Shareholder") who, (a) on the record date for notice of the Meeting of Shareholders, is a registered or beneficial holder of share(s) carrying the right to vote at the Meeting of Shareholders; and (b) complies with the notice procedures set out in the Advance Notice Provision.

The Advance Notice Provision requires the Nominating Shareholder to provide the Company with: (i) timely notice of director nomination(s) in proper written form ("Shareholder Notice"); and (ii) a written representation and agreement, in a form to be provided by the Company, with respect to each candidate for nomination (the "Representation and Agreement"), each as required by and within the time periods set out in, the Advance Notice Provision.

To be timely, the Shareholder Notice must be given: (i) in the case of an annual general meeting of shareholders (which may also be an annual and special meeting of shareholders), not less than 30 nor more than 65 days prior to the date of such meeting; provided, however, that in the event that such meeting is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual general meeting was made, the Shareholder Notice may be given not later than 5:00 p.m. on the tenth (10<sup>th</sup>) day following the Notice Date; and (ii), in the case of a special meeting (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than 5:00 p.m. on the fifteenth (15<sup>th</sup>) day following the first public announcement of the date of such special meeting.

The Shareholder Notice must set out, amongst other things, (i) as to each candidate for nomination: (a) name(s), age, address(es) and principal occupation or employment; (b) class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record; (c) a statement as to whether such person would be independent within the meaning of NI 52-110 and the reasons for such determination; and (d) any other information relating to such person, that would be required disclosure in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and applicable securities laws ("Dissident Materials"); and (ii) as to the Nominating Shareholder: (a) any information relating to such Nominating Shareholder that would be required disclosure in the Dissident Materials; and (b) the class or series and the number of shares in the capital of the Company which are controlled or which are owned beneficially or of record.

The Representation and Agreement must provide, amongst other things, that the candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting, insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such director's term in office.

### *Shareholder Approval*

Under the BCBCA and the Articles, the alteration of the Articles requires the approval at the Meeting by a special resolution of the shareholders. Accordingly, at the Meeting, shareholders will be asked to pass a special resolution, the full text of which is set forth in Schedule "A" to this Management Proxy Circular, to amend the Articles to include the Advance Notice Provision substantially as set out in Schedule "B" to this Management Proxy Circular.

The Board has determined that the Advance Notice Provisions are in the best interests of the Company and its shareholders. The Board, therefore, recommends that shareholders vote "for" the Advance Notice Resolution.

### **OTHER BUSINESS**

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **DIRECTORS' APPROVAL**

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available free of charge on or through the Company's website at [www.ivanplats.com](http://www.ivanplats.com) or through the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). This includes the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year, which may be viewed on the SEDAR website. Securityholders may contact the Company directly to receive copies of information relating to it, including its financial statements and management's discussion and analysis, without charge, upon written or oral request to Mary Vincelli, Corporate Secretary, Suite 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1, or by telephone at (604) 688-6630.

DATED at Vancouver, British Columbia as of the 1<sup>st</sup> day of April, 2013.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Mary Vincelli"*

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Mary Vincelli  
Corporate Secretary

**SCHEDULE "A"**  
**ADVANCE NOTICE RESOLUTION**

"BE IT RESOLVED, as a special resolution of the shareholders of the Company that:

1. the Articles of Continuation the Company (the "Articles") be amended by adding the text substantially in the form as set out in Schedule "B" to this Management Proxy Circular as and at Section 14.12 of the Articles;
2. any director or officer of the Company be, and each of them is hereby, authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be delivered articles of amendment to the British Columbia Registrar of Companies and to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution;
3. notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company may, in their sole discretion, revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the shareholders of the Company; and
4. any one director or officer of the Company be, and each of them is hereby, authorized and directed for and in the name of and on behalf of the Company, to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**SCHEDULE “B”  
ADVANCE NOTICE PROVISIONS**

The full text of the proposed amendments to the Articles are as follows:

A new section 14.12 be added, which reads as follows:

**“14.12 Advance Notice of Nominations of Directors**

1. In this Article 14.12:
  - (a) “Applicable Securities Laws” means the Securities Act and the applicable securities legislation of each province and territory of Canada, as amended, of which the Company is a reporting issuer or equivalent, from time to time, along with the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the related securities commission and similar regulatory authority of the applicable provinces and territories of Canada;
  - (b) “Company Email Address” means the business email address of the Company as specified on the Company’s profile on SEDAR;
  - (c) “Company Fax Number” means the fax number of the Company as specified on the Company’s profile on SEDAR;
  - (d) “Head Office” means the head office address of the Company as specified on the Company’s profile on SEDAR;
  - (e) “Meeting of Shareholders” means such annual meeting of shareholders or special meeting of shareholders, whether general or not, at which one or more persons are nominated for election to the board of directors by a Nominating Shareholder;
  - (f) “Nominating Shareholder” has the meaning set out in Article 14.12(2)(c);
  - (g) “Notice Date” has the meaning set out in Article 14.12(4)(a);
  - (h) “Public Announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company on SEDAR;
  - (i) “Representation and Agreement” has the meaning set out in Article 14.12(3)(b);
  - (j) “Securities Act” means the British Columbia *Securities Act* or any successor thereto;
  - (k) “SEDAR” means the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) or any successor filing service for the dissemination of public company disclosure documents in Canada; and
  - (l) “Shareholder Notice” has the meaning set out in Article 14.12(3)(a).
2. Subject only to the *Business Corporations Act*, only persons who are nominated in accordance with this Article 14.12 shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made for any Meeting of Shareholders:
  - (a) by or at the direction of the board of directors or an authorized officer of the Company, including pursuant to a notice of meeting;

- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  - (c) by any person (a "Nominating Shareholder"):
    - (i) who, on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
    - (ii) who complies with the notice procedures set forth below in this Article 14.12.
3. In addition to any other applicable requirements, a Nominating Shareholder must give the following in order to nominate persons for election as directors:
- (a) timely notice of the nomination in proper written form to the secretary of the Company at the Head Office in accordance with this Article 14.12 ("Shareholder Notice"); and
  - (b) a written representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in Article 14.12(6) ("Representation and Agreement").
4. To be timely, the Shareholder Notice must be given:
- (a) in the case of an annual general meeting (which may also be an annual and special meeting of shareholders), not less than 30 and not more than 65 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first Public Announcement of the date of the annual general meeting was made, the Shareholder Notice may be given not later than 5:00 p.m. in the time zone of the Head Office on the tenth (10th) day following the Notice Date; and
  - (b) in the case of a special meeting (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than 5 p.m. in the time zone of the Head Office on the fifteenth (15th) day following the first Public Announcement of the date of the special meeting.
5. To be in proper written form, the Shareholder Notice must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (i) the name, age, business address and residential address of the person;
    - (ii) the principal occupation or employment of the person;
    - (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date of notice for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
    - (iv) a statement as to whether such person would be "independent" of the Company (within the meaning of section 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be



amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and

- (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the Shareholder Notice,
- (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and
  - (ii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date of notice for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
6. To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this Article 14.12 and the candidate for nomination, whether nominated by the board of directors or otherwise, must have previously delivered to the secretary of the Company at the Head Office, not less than five (5) days prior to the date of the Meeting of Shareholders, a Representation and Agreement (in the form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting, insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the secretary of the Company shall provide such candidate for nomination all such polices and guidelines in effect).
7. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*.
8. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination be disregarded.
9. Notwithstanding any other provision of these Articles, notice or any delivery given to the secretary of the Company pursuant to this Article 14.12 may only be given by mail, personal delivery, facsimile transmission or email and shall be deemed to have been given and made only at the time it is sent by mail to the Head Office, served by personal delivery to the Head Office, sent by email to the Company Email Address or sent by facsimile transmission to the Company Fax Number (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. in the time zone of the Head Office on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
10. Article 14.12 only applies to the Company if and for so long as it is a public company.

11. Notwithstanding the foregoing, the board of directors may, in their sole discretion, waive any requirement in this Article 14.12 by resolution of the board of directors.

In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of the Shareholder Notice or the Representation and Agreement.





**Ivanplats**