



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be Held on  
November 19, 2013**

**BESRA GOLD INC.  
(FORMERLY OLYMPUS PACIFIC MINERALS INC.)  
Suite 500 – 10 King Street East  
Toronto, ON M5C 1C3**

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**Besra Gold Inc.  
Suite 500 – 10 King Street East  
Toronto, ON M5C 1C3  
(416) 572-2525**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of the shareholders (the “**Shareholders**”) of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (hereinafter called the “**Company**”) will be held at the offices of Besra Gold Inc., 996 Ngo Quyen Street, Son Tra District, Danang City, Vietnam, on Tuesday, the 19<sup>th</sup> day of November 2013 at the hour of 7:00 in the morning (Danang time), for the following purposes:

**Receive the Audited Condensed Consolidated Financial Statements of the Company**

1. To receive the audited condensed consolidated financial statements of the Company for the fiscal year ended June 30, 2013 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;

**Election of the Board of Directors**

2. To elect the board of directors of the Company;

**Continuance of the Company under the New Zealand Companies Act 1993**

3. To vote on the adoption of a special resolution (the “Continuance Resolution”) of the Shareholders in the form set forth in the accompanying management information circular (the “Circular”) approving the continuance of the Company from the *Canada Business Corporations Act* to a company registered under the *Companies Act, 1993* (New Zealand);

**Ratification of Issue of Options to Directors, Officers and Consultants of the Company**

4. For the purpose of ASX Listing Rule 7.4 and for all other purposes, to consider and, if thought fit, to pass an ordinary resolution of the Shareholders, ratifying the grant and issue to various directors, officers and consultants of the company or their nominees of 6,910,000 options for no consideration exercisable into 6,910,000 common shares of the Company at an exercise price of CAD\$0.24 per option exercisable on or before March 4, 2018, all as more particularly described in the accompanying Management Information Circular.

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by any person who participated in the issue the subject of this resolution and any person associated with those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Appointment of auditor**

5. To consider and, if thought fit, pass an ordinary resolution to appoint the auditors and to authorize the directors to fix their remuneration; and

**Any other business**

6. To transact such further or other business including, without limitation, such amendments or variations to any of the foregoing resolutions, as may properly come before the Meeting and any adjournments thereof.

Shareholders also will be able to view the meeting via Polycom video-conference facilities at the Company's offices in Toronto, Ontario, Canada or Auckland, New Zealand. Shareholders interested in attending the meeting at the Company's Toronto office shall attend at Suite 500, 10 King Street East, Toronto, Ontario M5C 1C3 at 7pm (Toronto time) on Monday November 18, 2013. Shareholders interested in attending the meeting at the Company's New Zealand office shall attend at Level 11, 57 Fort Street, Auckland, New Zealand at 1pm (Auckland time) on Tuesday November 19, 2013. Shareholders also will be able to access a live video feed of the meeting via our website at [www.besra.com/agm](http://www.besra.com/agm).

Accompanying this Notice are a Management Information Circular, a form of Proxy and a Financial Statement Request Form. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the meeting either in person or by proxy. Those who are unable to attend the meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Management Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at Toronto, Ontario, this 18<sup>th</sup> day of October, 2013

**BY ORDER OF THE BOARD OF DIRECTORS**



*David A. Seton*  
*Executive Chairman & Director*

**Besra Gold Inc.  
Suite 500 – 10 King Street East  
Toronto, ON  
M5C 1C3**

**MANAGEMENT INFORMATION CIRCULAR  
(Containing information as at September 30, 2013 unless indicated otherwise)**

**SOLICITATION OF PROXIES**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (the “**Company**”) for use at the Annual and Special Meeting of holders (the “**Shareholders**”) of common shares (the “**Shares**”) of the Company (and any adjournment thereof) to be held on Tuesday, November 19, 2013 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

Shareholders also will be able to view the meeting via Polycom video-conference facilities at the Company’s offices in Toronto, Ontario, Canada or Auckland, New Zealand. Shareholders interested in attending the meeting at the Company’s Toronto office shall attend at Suite 500, 10 King Street East, Toronto, Ontario M5C 1C3 at 7pm (Toronto time) on Monday November 18, 2013. Shareholders interested in attending the meeting at the Company’s New Zealand office shall attend at Level 11, 57 Fort Street Auckland New Zealand at 1pm (Auckland time) on Tuesday November 19, 2013. Shareholders also will be able to access a live video feed of the meeting via our website at [www.besra.com/agm](http://www.besra.com/agm).

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

**APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by COMPUTERSHARE INVESTOR SERVICES INC. (the “Transfer Agent”), Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted.**

**Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the Management nominees named on the form of proxy.**

**REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 500, 10 King Street East, Toronto, Ontario, M5C 1C3, at any time up to and including

the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **INFORMATION FOR NON-REGISTERED SHAREHOLDERS**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” Shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered Shareholders may vote at the Meeting.** If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in such Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of a clearing agency such as CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms) or CHESS Depository Nominees Pty. Ltd. (“**CDN**”). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

#### **Beneficial Shareholders (Other than Holders of CHESS Depository Interests)**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.**

This Management Information Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* – of the Canadian Securities Administrators (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you,

your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of the Beneficial Shareholder's broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Management Information Circular and the accompanying form of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

#### **CHES Depository Interest Holders**

A Chess Depository Interest ("**CDI**") is evidence of an indirect ownership in Shares. Holders of CDIs are non-registered or beneficial owners of the underlying Shares. The underlying Shares are registered in the name of CDN. As holders of CDIs are not the legal owners of the underlying Shares, CDN is entitled to vote at meetings of shareholders on the instruction of the registered holder of the CDIs.

As a result, registered holders of CDIs can expect to receive a voting information form (a "**VIF**"), together with the Meeting materials from Computershare Limited ("**Computershare**"), the CDI Registry in Australia. These VIFs are to be completed by holders of CDIs who wish to vote at the Meeting and returned to Computershare in accordance with the instructions contained therein. CDN is required to follow the voting instructions properly received from registered holders of CDIs. If you hold your interest in CDIs through a broker, dealer or other intermediary, you will need to follow the instructions of your intermediary.

A registered holder of a CDI can request CDN to appoint the holder (or a person nominated by the registered holder) as proxy to exercise the votes attaching to the underlying Shares represented by the holders of CDIs. In such case, a holder of a CDI may, as proxy, attend and vote in person at the Meeting.

If you hold your interest in CDIs through a broker, dealer or other intermediary, you will need to follow the instructions of your intermediary and request a form of legal proxy which will grant you the right to attend the Meeting and vote in person.

Registered holders of CDIs that wish to change their vote must in sufficient time in advance of the Meeting contact Computershare to arrange to change their vote. If you hold your interest in CDIs through a broker, dealer or other intermediary, you must in sufficient time in advance of the Meeting, arrange for your intermediary to change its vote through Computershare in accordance with the procedure set out above.

### VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons proposed by Management as proxyholders in the accompanying form of proxy will:

- (a) be voted for or against or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

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

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital: unlimited common shares without par value  
Issued and Outstanding: 378,781,274 common shares without par value

Only Shareholders of record at the close of business on October 1, 2013, (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders, or who is holding a proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Share registered in his or her name on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only persons or companies who beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company are:

Name	No. of Shares	Percentage
Dragon Capital Group Limited Ho Chi Minh City, Vietnam	41,673,172 <sup>(1)</sup>	11.00%

Notes:

- (1) According to filings effected at [www.sedi.ca](http://www.sedi.ca), of these securities 28,707,195 Shares are beneficially held by Vietnam Growth Fund Limited and 12,965,977 Shares are beneficially held by Vietnam Enterprise Investments Limited. Management of the Company is unaware of who the beneficial owners of Dragon



Capital Group Limited (“**Dragon Capital**”) are. Based upon information contained on its website, [www.dragoncapital.com](http://www.dragoncapital.com), Dragon Capital is an investment group focused exclusively on Vietnam’s capital markets.

## **NOTICE TO HOLDERS OF CHESSE DEPOSITORY INTERESTS**

The Company was originally incorporated in the Province of Ontario on July 4, 1951 under the name of “Meta Uranium Mines Limited”. The Company’s name was changed to “Metina Developments Inc.” on August 24, 1978. The Company was then continued from the jurisdiction of Ontario into the province of British Columbia under the *Company Act* (British Columbia) under the name “Olympus Holdings Ltd.” on November 5, 1992. The name of the Company was changed to “Olympus Pacific Minerals Inc.” on November 29, 1996 and was continued from the jurisdiction of British Columbia into the Yukon Territory under the *Business Corporations Act* (Yukon) on November 17, 1997. It was then continued from the Yukon Territory on July 13, 2006 and currently exists under and is governed by the laws of Canada, including the *Canada Business Corporations Act* (the “**CBCA**”). The Company filed articles of amendment on November 16, 2012 changing the name of the Company to “Besra Gold Inc.” The Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 (Cth) dealing with the acquisition of shares. These chapters deal with substantial holdings, takeover bids, compulsory acquisitions, as well as certain rules on continuous disclosure. The Company is governed by applicable Canadian securities laws and the CBCA with respect to these matters. There are no limitations on the acquisition of securities of the Company under the CBCA. The Company is subject to rules applicable to takeover bid regulation under applicable Canadian securities laws, as well as rules relating to reporting requirements for shareholders holding 10% or more of the securities of the Company, under applicable Canadian securities laws. If the proposed continuance is effected, the Company will no longer be subject to the CBCA and will become subject to the *Corporations Act, 1993* (New Zealand) and all other applicable New Zealand corporate legislation.

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

### **1. Presentation of Financial Statements**

The audited condensed consolidated financial statements of the Company for the fiscal year ended June 30, 2013, and the report of the auditors thereon will be placed before the Meeting. Receipt at the Meeting of the audited condensed consolidated financial statements of the Company for the fiscal year ended June 30, 2013 will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements. These financial statements are included in the Company’s 2013 Annual Report which can be accessed on the Company’s website at [www.besra.com](http://www.besra.com) and are also available at [www.sedar.com](http://www.sedar.com).

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators (“**NI 51-102**”) and NI 54-101, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate request card included with these materials and send it to Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Canada.

### **2. Election of the Board of Directors**

The Board of Directors presently consists of four directors. As required by the TSX Company Manual, at the Meeting, Shareholders will be permitted to vote on the election of all of the directors of the Company. The Articles of the Company provide that the number of directors shall consist of a minimum of three and a maximum of 15 directors. The Company’s By-laws require that at least 25% of the directors of the Company be resident Canadians. The Board is currently composed of four directors, one of whom is a resident Canadian.

It is proposed to nominate the four persons listed below for election as directors of the Company to hold office until the next annual meeting of shareholders or until their successors are elected or appointed pursuant to relevant provisions of the By-laws of the Company or the Company's governing statute and the TSX Company Manual. All such proposed nominees are currently directors of the Company.

The following tables and notes thereto set out the names of each person proposed to be nominated by management for election as a director (a "**proposed director**") as well as each continuing director and his term of office, the province or city and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position and Province or City and Country of Residence <sup>(1)</sup>	Principal Occupation and, If Not at Present an Elected Director, Occupation During the Past 5 Years <sup>(1)</sup>	Previous Service as a Director	Number of Common Shares beneficially owned or directly or indirectly controlled <sup>(2)</sup>
<b>David A. Seton</b> <sup>(3)</sup> <b>Executive Chairman and Director</b> Hanoi, Vietnam	Executive Chairman of the Company.	Since August 23, 1996	5,590,133
<b>Kevin M. Tomlinson</b> <sup>(3)(4)(5)(6)</sup> <b>Deputy Chairman and Director</b> Richmond, United Kingdom	Corporate Director since January 2012. Formerly Manager Regional Exploration for Plutonic Resources, CEO of Austminex NL, Head of Research at Hartleys Australia, Director of Natural Resources at Williams de Broë and Managing Director Investment Banking for Westwind Partners/Thomas Weisel/Stifel Nicolaus in London and Toronto.	Since January 17, 2012	Nil
<b>Leslie Robinson</b> <sup>(3)(4)(5)</sup> <b>Director</b> Wellington, New Zealand	Corporate director. Former Director of Zedex Minerals Limited.	Since December 17, 2009	2,387,005
<b>N. Jon Morda</b> <sup>(4)(5)</sup> <b>Director</b> Niagara-on-the-Lake, Canada	Corporate director and chartered accountant. Former Chief Financial Officer of Alamos Gold Inc. (retired June 2011), a mineral exploration and gold producing company listed on the Toronto Stock Exchange.	Since August 16, 2005	72,088

Notes:

- (1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Denotes member of Corporate Governance and Nominating Committee. Mr. Robinson is the Chair of the Corporate Governance and Nominating Committee.
- (4) Denotes member of Compensation and Benefits Committee. Mr. Tomlinson is the Chair of the Compensation and Benefits Committee.
- (5) Denotes member of Audit Committee. Mr. Morda is the Chair of the Audit Committee.
- (6) Denotes Lead Independent Director

The Company does not currently maintain a majority voting policy in respect of the election of directors. However, if more votes are withheld than votes that are cast in favour of electing any of the above nominated directors, the Company will issue a detailed news release disclosing the results of the election.

**UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING PROXY WILL VOTE FOR THE ELECTION OF EACH OF THE NOMINEES NOTED ABOVE UNLESS THE SHAREHOLDER OF THE COMPANY WHO HAS GIVEN SUCH PROXY HAS DIRECTED THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY BE WITHHELD FROM VOTING IN RESPECT OF A NOMINEE.** Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year, however, if that should occur for any reason at or prior to the Meeting or any adjournment or postponement thereof, the persons named in the enclosed form of proxy have the right to vote the proxy for the election of the remaining nominees and may vote in their discretion for the election of any person or persons in place of any nominees unable to serve.

### 3. **Continuance of the Company under the New Zealand Companies Act 1993**

The Company is currently governed by the CBCA. For the reasons described below under the heading "Rationale for the Continuance", it is proposed as a matter to be approved by the Shareholders in the form of the special resolution attached at Schedule "A" (the "**Continuance Resolution**") that the Company be continued (the "Continuance") from the jurisdiction of the CBCA into the jurisdiction of New Zealand as a company registered under the *Companies Act, 1993* (New Zealand) (the "**NZCA**").

The effect of the proposed Continuance will be that the Company will cease to be organized under the CBCA and will become organized and registered under the NZCA. Upon the Continuance, the CBCA will cease to apply to the Company and the Company will thereupon become subject to the NZCA as if it had been originally incorporated as a company incorporated under the NZCA. Unless noted below, the Continuance will not result in any change in the business of the Company or its assets, liabilities or management, or have a material adverse effect on its tax position. However, the Continuance will give rise to certain material changes in the corporate laws applicable to the Company. See "Summary Comparison between New Zealand and Canadian Federal Corporate Law". The Continuance is not a reorganization, amalgamation or merger. Shareholders' shareholdings will not be altered by the Continuance (other than with respect to Shareholders dissenting to the Continuance Resolution).

#### *Rationale for the Continuance*

The Company is proposing the Continuance for the following reasons:

- The Company's presence in Canada is *de minimus*. Only one of its four directors and one of its six officers are Canadian residents. The Company maintains no operations in Canada. Conversely, the Company's Chief Executive Officer and Chief Financial Officer reside in New Zealand and its finance department is headquartered there. New Zealand is more proximate to the Company's operations in Malaysia, Vietnam, the Philippines and Australia and thus brings the mind and management of the Company closer to its operations.
- New Zealand has entered into investment protection treaties with the countries in which the Company's assets are located that provide for more comprehensive and higher levels of investor protection for New Zealand companies and investors than Canadian companies and investors currently receive under the corresponding treaties which Canada has in place with such countries. This is a crucial consideration given the recent heightened incidence of resource nationalism and the significant cost and limitations of a political risk insurance policy.
- In the view of management of the Company, the NZCA is consistent with the CBCA and will provide Shareholders with substantially the same rights that are available to Shareholders under

the CBCA, including rights of dissent and appraisal, and rights to bring derivative actions and oppression actions.

- As a multinational company with operations focussed in Southeast Asia, the requirement that 25% of the board of directors be Canadian residents is becoming increasingly burdensome and can act to restrict the diversification of skills on the board. The Board is currently composed of four directors, one of whom is a Canadian resident. The Board has discussed potentially adding another director and, if so, would be limited to adding a Canadian resident or, if a non-Canadian resident is preferred, to also adding a Canadian resident to ensure the 25% threshold is met. Though amendments are contemplated to the NZCA that would impose a requirement that at least one director be New Zealand resident, the Company anticipates that this will be a much easier threshold to achieve given its geographic presence and, further, that the requirement is not percentage based, thus not requiring additional New Zealand resident directors as the board increases in size.
- A decreasing number of the Company's common shares are held beneficially by Canadian residents. The Company has adopted a global approach to seeking financing opportunities with significant interest from the Australasian region. Management expects that moving the corporate domicile to the region will result in an increased likelihood of attracting investment interest.
- The Company could achieve cost savings resulting from simplification of the Company's administration.

On the other hand, the Continuance will result in the loss to the Company of the future use of the Company's accumulated tax-loss carry-forwards which, as of June 30, 2013, amounted to approximately US\$49.5 million, which, based on current corporate income tax applicable to Canadian corporations, could be used to offset approximately US\$12.4 million in future tax payable. These losses cannot be used to offset taxable profits in subsidiaries and it is unlikely that the company will fully utilize these losses unless through realising a capital gain on divestment of capital assets. As a New Zealand corporation, however, there is currently no tax payable on capital gains of that nature. Accordingly, management is of the view that the benefits to the Company of the Continuance outweigh the negatives.

#### *Proposed Constitution*

The Company is currently a CBCA corporation that has articles of continuance which set out the Company's name, the authorized capital, the classes, any maximum number of shares that may be issued, the rights, privileges, restrictions and conditions attaching to Shares, any restriction on the right to transfer Shares, the maximum or minimum number of directors and any restrictions on the business of the Company. The corporation also currently has by-laws that set out the form, manner or procedure in which the Company is governed. Upon the Continuance taking effect, the proposed Constitution to be filed under the NZCA will replace the articles of continuance filed under the CBCA and the Company's by-laws and will contain substantially the same terms as the Company's current articles of continuance and by-laws.

The rights, privileges, restrictions and conditions that are presently applicable to the Shares are substantially the same as the rights, privileges, restrictions and conditions that will attach to such Shares after the Continuance.

#### *Summary Comparison of Shareholder Rights Under the CBCA and the NZCA*

In general terms, the NZCA provides the Company's shareholders substantively the same rights as are available to the Company's shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions. There are, however, important differences concerning the qualifications of directors and certain shareholder remedies.

The following is a summary comparison of certain provisions of the NZCA and the CBCA that pertain to rights of the Company's shareholders. This summary is not intended to be exhaustive. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and shareholders should consult their legal or other professional advisors with regard to the implications of the Continuance which may be of importance to them. A copy of the NZCA and a copy of the Company's proposed Constitution are available for review at the registered and records office of the Company. In addition, the NZCA can be viewed online at [www.legislation.co.nz](http://www.legislation.co.nz). The Company's proposed Constitution is also attached to this Circular at Schedule "B".

### Charter Documents

Under the CBCA, the Company has Articles of Incorporation, which sets forth, among other things, the name of the company and the amount and type of authorized capital, and By-laws, which govern the management of the Company. The Articles of Incorporation are filed with Corporations Directorate, at Industry Canada, and the By-laws are filed only with the Company's registered and records office.

Companies incorporated in New Zealand are regulated by the NZCA and, where adopted, by an optional charter document called a constitution. A constitution allows a company to alter the NZCA in a number of ways, including, but not limited to, restricting the transferability of shares, limiting or negating the preemptive rights of shareholders regarding the issue of new shares and creating more than one class of share and specifying rights attaching to shares. Where a company does not adopt a constitution, it is solely regulated by the NZCA and therefore the company, its board of directors, each individual director, and each shareholder have the rights, powers, duties and obligations set out in the NZCA. Alternatively, where a company adopts a constitution, the rights, powers, duties and obligations of the company, the directors and the shareholders arise from a combination of the NZCA and the company's constitution. If a constitution is adopted, it must be filed with the New Zealand Registrar of Companies so that it is available for public viewing. It is invariably common for widely held companies incorporated in New Zealand to have a constitution and the Company proposes to adopt a Constitution in the form attached as Schedule "B" to this Circular in connection with the Continuance.

Except as otherwise described below and herein, the Continuance to New Zealand and the adoption of the Constitution will not result in any substantive changes to the constitution, powers or management of the Company.

### Amendments to Charter Documents

Under the CBCA, any substantive change to the corporate charter of a company, such as an alteration of the restrictions, if any, on the business carried on by the Company, or an alteration of the special rights and restrictions attached to issued shares requires a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

Under the NZCA, any change to a company's constitution (whether substantive or not) requires a special resolution passed by not less than three-quarters of the votes cast by shareholders voting on the resolution. In addition, where a proposed change to the constitution (or a resolution generally) affects the rights attached to shares then the resolution must be passed by not less than three-quarters of the votes cast by each "interest group". An "interest group" is a group of shareholders whose rights are identical, whose rights are affected by the action or proposal in the same way, and who comprise the holders of one or more classes of shares.

### Sale of All or Substantially All of the Assets

The CBCA requires approval of the holders of the shares of a company represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property of the Company, other than in the ordinary course of business of the company. Each share of the Company carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the Company whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Under section 129 of the NZCA the entry into a 'major transaction' requires a special resolution passed by not less than three-quarters of the votes cast by shareholders voting on the resolution. Shares which do not otherwise carry voting rights are not permitted to vote on a resolution approving a 'major transaction'. Broadly, a 'major transaction' includes any transaction under which a company:

- acquires or disposes (or agrees to acquire or dispose) of assets; or
- acquires rights or interests, or incurs obligations or liabilities (including contingent liabilities),

the value of which is more than half the value of the company's assets before the transaction. The New Zealand courts have held that the major transaction test is an entity-specific test i.e. the test is applied only to the company entering into the transaction and not to any of its subsidiaries or holding companies, unless such companies are party to the transaction in question and are also companies incorporated under the NZCA.

However, the Company will still be required to seek Shareholder approval for a sale of all or substantially all of its assets for so long as it is listed on ASX pursuant to the applicable Listing Rules.

### Rights of Dissent

Under the CBCA, shareholders who dissent to certain actions being taken by the corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right may be exercised by a holder of shares of any class of the corporation in certain circumstances, including when the corporation proposes to:

- (a) amend its articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles to add, remove or change any restrictions on the business or businesses that the corporation may carry on;
- (c) enter into certain statutory amalgamations;
- (d) be continued under the laws of another jurisdiction;
- (e) sell, lease or exchange all or substantially all its property, other than in the ordinary course of business;
- (f) carry out a going-private transaction or a squeeze-out transaction, or
- (g) amend its articles to increase or decrease any maximum number of, exchange, reclassify or cancel, or alter the rights, privileges, restrictions or conditions attaching to, shares of any class in certain circumstances where such amendment gives the holders of the affected class of shares the right to vote separately as a class.

In a similar manner to the CBCA, the NZCA allows a dissenting shareholder, in certain circumstances, to require the company to buy its shares. If, by special resolution passed by not less than three-quarters of the votes cast on the resolution, a company resolves to:

- (a) adopt a constitution, or, if the company already has one, alter or revoke the company's constitution, and the proposed alteration imposes or removes a restriction on the activities of the company;
- (b) approve a 'major transaction'; or
- (c) approve a statutory amalgamation of the company under the NZCA,

any shareholder voting against the resolution is entitled to require the company to purchase, or to arrange for another person to purchase, that shareholder's shares for a 'fair and reasonable' price nominated by the company, or if the shareholder objects to such a price, a price determined by arbitration. The company must comply with this requirement unless it obtains a court exemption or arranges to have the relevant resolution rescinded.

#### Oppression Remedies

Under the CBCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, or the business or affairs of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer. On such an application, the court may make such order as it sees fit including an order to prohibit any act proposed by the corporation.

Under the NZCA, a shareholder, former shareholder or any entitled person (being a person on whom the company's constitution confers any of the rights and powers of a shareholder) who considers that the company's affairs have been, or are being, conducted in a manner that is, has been, or is likely to be, oppressive, unfairly discriminatory, or unfairly prejudicial to them, may apply to the High Court of New Zealand for an order under the NZCA. The court has discretion to make a number of orders, including requiring the company to acquire the relevant person's shares, requiring the company to pay compensation, regulating the future conduct of the company's affairs or placing the company in liquidation.

There are a number of breaches of the NZCA which are deemed to amount to unfairly prejudicial conduct, including the failure to comply (subject to the company's constitution) with, among others, the sections of the NZCA pertaining to:

- pre-emptive rights on the issue of shares;
- determining the consideration for which shares are issued;
- the declaration of dividends;
- the alteration of shareholder rights; and
- major transactions.

#### Derivative Actions

Under the CBCA, a person may apply to the court for leave to bring an action in the name and on behalf of a corporation or a corporation that is one of its subsidiaries, or intervene in an action to which the

corporation or subsidiary is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation or subsidiary.

An application of this nature may be made by a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and a former officer of a corporation or any of its affiliates, the Director named under the CBCA, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action.

No action may be brought and no intervention may be made unless the court is satisfied that:

- (a) the complainant has given notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court, not less than 14 days before bringing the application, or as otherwise ordered by the court, if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Under the NZCA, a shareholder or director of a company may seek leave from the court to:

- (a) bring proceedings in the name of and on behalf of the company or any related company; or
- (b) intervene in proceedings to which the company or any related company is party for the purpose of continuing or discontinuing such proceedings.

In deciding whether to grant such a request the court is to have regard to a number of factors including the likelihood of the proceedings succeeding, the costs of the proceedings, any action already taken by the company, and the interests of the company or related company in the proceedings being commenced, continued, defended or discontinued, as the case may be.

Before leave will be granted to bring a derivative action, the court must be satisfied that:

- (a) the company or related company does not intend to bring, diligently continue or defend, or discontinue the proceedings, as the case may be; or
- (b) it is in the interests of the company or related company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole.

### Investigations

Under the CBCA, security holders of a corporation and the Director named under the CBCA may apply to the court for an order directing an investigation to be made of the corporation and any of its affiliates. The court may order an investigation to be made of the corporation and any of its affiliates if it appears to the court that:

- (a) the business of the corporation or any of its affiliates is or has been carried on with intent to defraud any person;
- (b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised, in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards, the interests of a security holder;



- (c) the corporation or any of its affiliates was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or
- (d) persons concerned with the formation, business or affairs of the corporation or any of its affiliates have in connection therewith acted fraudulently or dishonestly.

While there are no directly comparable rights to the foregoing afforded to shareholders under the NZCA, the NZCA confers on shareholders and others a number of rights to hold a company and its directors to account, including:

- (a) the court may, on the application of a shareholder, director or entitled person, make an order restraining a company that, or a director of a company who, proposes engaging in conduct that would contravene the constitution of the company, the NZCA or the New Zealand Financial Reporting Act 1993, from engaging in that conduct;
- (b) a shareholder or former shareholder may bring an action against a director for a breach of duty owed to him or her as a shareholder (such as the duty to supervise the company's share register, the duty to disclose certain interests, and the duty to disclose share dealings in the company);
- (c) the court may, on the application of a shareholder, if it is just and equitable to do so, make an order requiring a director of a company or the board of directors of a company, to take any action required to be taken by the director or board of directors, as applicable, under the constitution, the NZCA or the New Zealand Financial Reporting Act 1993;
- (d) a shareholder of a company may bring an action against the company for breach of a duty owed by the company to him or her as a shareholder (such as the duty to pay an authorised dividend to the shareholder, the duty to allow a shareholder to exercise its voting rights and the duty to make annual reports available to shareholders);
- (e) a shareholder may make a written request to the company for information and, if the company does not provide the information or the shareholder is not satisfied with the company's reasons for refusing to provide the information, may apply to court for an order requiring the requested information to be disclosed; and
- (f) the court may, on the application of a shareholder or creditor of a company, make an order authorising a person named in the order to inspect and to make copies or extracts of records or other documents of the company. The court may only make an order under this section if it is satisfied that, in making the application, the shareholder or creditor is acting in good faith and the inspection is proposed to be made for a proper purpose and if the person to be appointed is a proper person for the task.

#### Place of Meetings

The CBCA provides that meetings of shareholders may be held at the place outside of Canada provided by the Articles, or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

The NZCA does not prescribe that meetings of shareholders must be held in New Zealand or preclude a company from holding a shareholders' meeting outside New Zealand. The proposed Constitution of the Company provides that meetings of shareholders may be held at such time and place (including any country other than New Zealand) as the Board of the Company appoints.

## Directors

The CBCA provides that a public company must have a minimum of three directors and at least 25% of directors of a company must be resident Canadians.

A company is only required to have one director in order to be registered as a company under the NZCA. However, it should be noted that the proposed Constitution of the Company requires the Company to have a minimum of 3, and a maximum of 15, directors. While there is not currently any statutory requirement for a New Zealand company to have a director who is resident in New Zealand, there is currently a Bill before the New Zealand Parliament which will require every company incorporated under the NZCA to have at least one director who is resident in New Zealand. It is expected that this requirement will become law in 2014.

## Removal of Directors

The CBCA provides that, subject to certain exceptions, the shareholders of a corporation may by ordinary resolution at a special meeting remove any director or directors from office and that the articles of a corporation may not require a higher threshold to remove a director. An ordinary resolution means a resolution passed by a majority (i.e., over 50%) of the votes cast by the shareholders who voted in respect of that resolution.

The NZCA provides that a director can be removed from office by an ordinary resolution (being a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the question). The proposed Constitution of the Company does not alter the position under the NZCA. The proposed Constitution also prescribes certain other situations when a director will be deemed to have been removed from office including when the director dies, resigns from office by written notice to the Company, becomes disqualified from being a director under the NZCA, becomes bankrupt, or has for more than 6 months and without board approval been absent from board meetings. These situations are analogous to similar provisions under the CBCA.

## Disclosure of Interests

Under the CBCA, every director or officer of a corporation must disclose to the corporation the nature and extent of any interest that he or she has in a contract or transaction, whether made or proposed, with the corporation, but only if the contract or transaction is "material" and the director or officer:

- (a) is a party to the contract or transaction,
- (b) is a director or officer, or an individual acting in a similar capacity of a party to the contract or transaction, or
- (c) has a material interest in a party to the contract or transaction.

If a director is required to disclose his or her interest in a contract or transaction, such director is not allowed to vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) relates primarily to the remuneration of the director as a director, officer, employee or agent of the corporation or an affiliate of the corporation,
- (b) is for indemnity or insurance under the CBCA, or
- (c) is with an affiliate of the corporation.

Under the NZCA, a director of a company must (subject to certain limited exceptions), forthwith after becoming aware of the fact that he or she is "interested" in a transaction or proposed transaction with the company, cause to be entered in the interests register of the company, and if the company has more than one director, disclose to the board of the company –

- (a) if the monetary value of the director's interest is able to be quantified, the nature and monetary value of that interest; or
- (b) if the monetary value of the director's interest cannot be quantified, the nature and extent of that interest.

Under the NZCA, a director who is interested in a transaction may, subject to the company's constitution, vote on any resolution approving the transaction. Under the proposed Constitution of the Company, a director that is required to disclose his or her interest in a transaction is not allowed to vote on any resolution to approve entry into a transaction unless there is an express requirement to do so under the NZCA.

A transaction entered into by a company in which a director of the company is interested may be avoided by the company at any time before the expiration of 3 months after the transaction is disclosed to all shareholders (whether by means of the company's annual report or otherwise). However, a transaction cannot be avoided if the company receives fair value under it, or if it relates to the payment of remuneration to a director or the granting of an indemnity in favour of a director (in each case in accordance with the provisions of the NZCA).

#### Requisition of Meetings

The CBCA provides that one or more shareholders of the corporation holding not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

Under the NZCA and the proposed Constitution of the Company, the Board of the Company is required to call a special meeting of shareholders on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting.

#### Shareholder Proposals

Under the CBCA, a registered or beneficial shareholder may submit a proposal, although such shareholder must either: (i) have owned for six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least CAD\$2,000, or (ii) have the support of person who, in the aggregate, have owned for six months, not less than 1% of the total number of voting shares or voting shares with a fair market value of at least CAD\$2,000. Any shareholder proposal must then be attached to the management proxy circular or, if the management is not soliciting proxies, to the notice of meeting for the annual shareholders meeting.

Under the NZCA, a shareholder (regardless of the number of shares held) may require the board to raise a matter for discussion or resolution at the next meeting of shareholders at which the shareholder concerned is entitled to vote. If the request is made not less than 20 working days before the last date on which the notice of meeting is required to be sent to shareholders then the matter for discussion or resolution must be included in the notice of meeting at the company's cost.

#### Financial Tests

Under the CBCA, operations such as a reduction of capital, the purchase or redemption of its own shares, the declaration or payment of a dividend, or an amalgamation, cannot be implemented if there are reasonable grounds for believing that the corporation is, or would after the operation be, unable to pay its liabilities as they become due or if there are reasonable grounds to believe that the realizable value of the corporation's assets would after the operation be less than the aggregate of its liabilities (including, in the case of a repurchase, dividend or amalgamation, its stated capital of all classes, and in the case of a redemption, the amount that would be required to pay the holders of shares that have a right to be paid,

on a redemption or in a liquidation, rateably with or before the holders of the shares to be purchased or redeemed, to the extent that the amount has not been included in its liabilities).

Under the NZCA, the Board of a company must be satisfied on reasonable grounds that the company will satisfy the 'solvency test' immediately following the relevant action before exercising certain powers such as:

- (a) making a distribution (including paying a dividend) to shareholders;
- (b) offering discounts to shareholders in respect of some or all of the goods sold or services provided by the company;
- (c) repurchasing shares issued by the company;
- (d) redeeming shares in the company; and
- (e) providing financial assistance in connection with the purchase of shares in the company.

To satisfy the 'solvency test' under the NZCA:

- (a) a company must be able to pay its debts as they become due in the normal course of business; and
- (b) the value of its assets must be greater than the value of its liabilities (including contingent liabilities and (except in limited circumstances), in the case of a dividend, redemption or repurchase of shares, all fixed preferential amounts that would be required to be paid to shareholders if the company were removed from the Register of Companies immediately following the dividend, repurchase or redemption, as the case may be).

#### *Dissent Rights for the Continuance*

Under the CBCA, Shareholders are entitled to dissent the Continuance Resolution and, upon strict compliance with the terms of the CBCA, to be paid the fair value of their dissenting Shares.

**The following description of dissent rights to which dissenting Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of such dissenting Shareholder's Shares and is qualified in its entirety by the reference to the full text of Section 190 of the CBCA, which is attached to this Circular as Schedule "C". A Shareholder who intends to exercise dissent rights should carefully consider and comply with the provisions of Section 190 of the CBCA. Failure to strictly comply with the provisions of Section 190 of the CBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder.**

The dissent procedures require that a registered Shareholder who wishes to dissent must send a written notice of objection to the Company at 500 – 10 King Street East, Toronto Ontario M5C 1C3 (Attention: General Counsel & Corporate Secretary) (or (ii) by facsimile transmission to (416) 572-4202 (Attention: General Counsel & Corporate Secretary), in either case, to be received no later than the time of the Meeting or any adjournment or postponement of the meeting, and must otherwise strictly comply with the dissent procedures described in this Circular. Failure to strictly comply with the provisions of Section 190 of the CBCA may result in loss of the dissent right.

Pursuant to the terms of the CBCA, the Company shall, within ten days after the Shareholders adopt the Continuance Resolution, send to each dissenting Shareholder that has complied with the requirement of the CBCA, notice that the resolution has been adopted. Within twenty days of receiving such notice, a dissenting Shareholder shall send to the Company a written notice (the "Dissent Notice") containing (i) the Shareholder's name and address, (ii) the number and class of Shares in respect of which the Shareholder

dissents, and (iii) a demand for payment of the fair value of such Shares. Within thirty days after sending the Dissent Notice, the Shareholder shall send the Company or its transfer agent certificates representing the Shares in respect of which the Shareholder dissents. A dissenting Shareholder who fails to send its certificates has no right to make a claim for payment.

Not later than seven days after the later of the day on which the Continuance becomes effective or the day the Company receives the Dissent Notice, the Company shall send to each dissenting Shareholder who has sent a Dissent Notice a written offer to pay for the Shares in an amount considered by the directors to be the fair value, accompanied by a statement showing how the fair value was determined.

On the dissenting Shareholder sending a Dissent Notice, the dissenting Shareholder will cease to have any rights as Shareholder, other than the right to be paid the fair value of such holder's Shares. Until such time as the Company makes an offer as set out above, the dissenting Shareholder may withdraw the dissenting Shareholder's Dissent Notice, or if the Continuance has not yet become effective, the Company may abandon the Continuance, and in either event the dissent and appraisal proceedings in respect of that dissenting Shareholder will be discontinued.

If the Company fails to make an offer, or if the offer is rejected by a dissenting Shareholder, the Company may, within fifty days after the Continuance becomes effective, apply to a court to fix a fair value for the Shares of any dissenting Shareholder. If the Company fails to make a court application, a dissenting Shareholder may apply to a court for the same purpose within a further period of twenty days.

A dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, all dissenting Shareholders whose Shares have not been purchased by the Company shall be joined as parties and are bound by the decision of the court. The Company must notify each affected dissenting Shareholder of the date, place and consequences of the application and of their right to appear. The court will make an order fixing the fair value of the dissenting Shares of all dissenting Shareholders, giving judgment in that amount against the Company, and in favour of each dissenting Shareholder. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Shareholder calculated from the date on which the Continuance becomes effective, until the date of payment.

The Company will not make a payment to a dissenting Shareholder under Section 190 of the CBCA if there are reasonable grounds for believing that the Company would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of the Company would thereby be less than the aggregate of its liabilities. In such event, the Company shall (i) within 7 days after the later of the day on which the Continuance becomes effective or the day the Company received the Dissent Notice, (ii) within ten days of the pronouncement of an order of the court fixing the fair value of the dissenting Shares of all dissenting Shareholders, or (iii) within ten days of the acceptance by a dissenting Shareholder of an offer made by the Company, as applicable, notify each dissenting Shareholder that it is unable to lawfully pay its dissenting Shareholders for their Shares. In such an event, a dissenting Shareholder may, within 30 days after receipt of such notice, withdraw such dissenting Shareholder's written objection, in which case the Company shall be deemed to consent to the withdrawal and such dissenting Shareholder shall be reinstated with full rights as a Shareholder, failing which such dissenting Shareholder retains status as a claimant against the Company, to be paid as soon as the Company is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company, but in priority to the Shareholders.

**The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of their Shares. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each dissenting Shareholder who wishes to exercise dissent rights should carefully consider and comply with the provisions of that Section, the full text of which is set out in Schedule "C" and consult its own legal advisor.**

### *Summary of Canadian Federal Income Tax Considerations*

The following is a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the "Tax Act") generally applicable in respect of the Continuance to a holder of Shares who, for purposes of the Act and at all relevant times, is or is deemed to be resident in Canada, holds the Shares as capital property, deals at arm's length and is not affiliated with the Company and to whom the Company will not be a foreign affiliate, as defined in the Tax Act, following the Continuance (a "Holder").

The Shares will generally be considered capital property to a Holder unless: (i) the Holder holds the Shares in the course of a business of buying and selling securities, or (ii) the Holder has acquired the Shares in a transaction or transactions considered to be an adventure in the nature of trade.

This summary does not apply to a Holder: (i) that is a "financial institution" as defined in section 142.2 of the Tax Act, (ii) an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act, or (iii) that has elected to report its "Canadian tax results" for purposes of the Tax Act in a currency other than the Canadian currency.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "Regulations"), all proposed amendments to the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") the Company's understanding of the administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date of this Management Information Circular.

Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in the law or administrative policies or assessing practices of the CRA, nor does it take into account the tax law of any province, territory or foreign jurisdiction. There can be no assurance that the Proposed Amendments will be enacted in the form currently proposed or at all.

This summary is based on the assumption that, upon the Continuance, the Company will cease to be resident in Canada for purposes of the Tax Act. Once the Company has been issued a certificate of registration under the NZCA, it will be deemed, for purposes of the Tax Act, to have been incorporated in New Zealand at that time, and as a result will cease to be resident in Canada provided its central management and control is not situate in Canada.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular holder of Shares. Holders of Shares should consult their own tax advisers to determine the tax consequences to them of the Continuance.

#### Holders

The Continuance will generally not have any tax consequences to a Holder (other than a holder that validly exercises the dissent rights described under the heading "Dissent Rights for the Continuance"). Any dividends paid by the Company to a Holder after the Continuance will generally be required to be included in computing the income for the Holder in the taxation year of receipt for purposes of the Tax Act. After the Continuance, a Holder who is an individual will no longer be eligible for the gross-up and dividend tax credit treatment applicable to dividends received from taxable Canadian corporations. Similarly, a holder that is a taxable Canadian corporation will no longer be entitled to the intercorporate dividend deduction in computing taxable income which generally applies to dividends received from taxable Canadian corporations.

#### Dissenting Holders

Dissenting Holders are advised to consult with their own tax advisors with respect to the tax treatment of payments received as a result of the exercise of the dissent rights described under the heading "Dissent Rights for the Continuance".

A Holder who dissents from the Continuance and thereby becomes entitled to a cash payment from the Company for its shares will generally be considered to have disposed of such Shares and be deemed to have received a dividend on such Shares to the extent that the amount of such payment exceeds the paid-up capital in respect of such Shares. The amount of such payment, less any portion thereof that is deemed to have been received as a dividend, will be treated as proceeds of disposition of such Shares. Consequently, such dissenting Holder will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition received for the Shares, net of any reasonable costs of disposition, exceed (or are exceeded by) the Holder's adjusted cost base thereof. Notwithstanding the foregoing, if the dissenting holder is a corporation resident in Canada, the full amount of the redemption proceeds received may be treated under the Tax Act as proceeds of disposition.

Any capital loss arising on the exercise of dissent rights by a corporate holder will generally be reduced by the amount of dividends received or deemed to have been received, including any dividend arising from the exercise of the dissent rights, on the Shares.

### The Company

The "corporate emigration" rules under the Tax Act, will apply to the Company upon the Continuance. As a result, the Company will be deemed to have a tax year end immediately prior to the certificate of registration being issued under the NZCA. However, no actual change to the Company's fiscal year end will occur as a result of the Continuance. Each property owned by the Company immediately before the deemed year end will be deemed to have been disposed of by the Company for proceeds of disposition equal to the fair market value of each such property at that time. Any gains or losses realized by the Company from the deemed disposition will be taken into account when determining the amount of the Company's taxable income for the taxation year which is deemed to end immediately before the Continuance. The amount of any taxable income so determined will be subject to tax in accordance with the provisions of the Tax Act.

The Company will also be required to pay a special departure tax generally equal to 25% of the amount by which (i) the fair market value of the Company's assets, exceeds (ii) the aggregate of its liabilities and the paid-up capital in respect of its issued and outstanding shares immediately before the Continuance.

The Company does not expect to have any material amount of tax to pay under the Tax Act (or under any applicable provincial or territorial tax legislation) as a result of the Continuance.

### Offshore Investment Fund Property Rules

Section 94.1 of the Tax Act deems a Canadian resident to earn an imputed return annually on an interest held by the taxpayer in an "offshore investment fund property". An offshore investment fund property includes shares of a non-resident corporation if the shares may reasonably be considered to primarily derive their value, directly or indirectly, from portfolio investments in specified types of assets, including commodities. The Shares will be shares of a non-resident corporation following the Continuance. A Share will be an offshore investment fund property only where it may be reasonably concluded that one of the main reasons for the taxpayer acquiring or holding the Share is to derive a benefit from portfolio investments in such assets such that the amount of Canadian tax payable by the Holder is significantly less than the Canadian tax that would have been payable had the Holder held such assets directly. The provision will not apply, and a Holder will not have any imputed return, unless the purpose test discussed in the previous sentence is met. Holders are urged to consult their own tax advisers in this regard.

### Foreign Property Information Reporting

Following the Continuance, a Holder that is a specified Canadian entity for a taxation year or a fiscal period and whose total cost amount of specified foreign property, including Shares, at any time in a taxation year or fiscal period exceeds \$100,000 will be required to file an information return for the year or period disclosing prescribed information. With some exceptions, a taxpayer resident in Canada in the year will generally be a specified Canadian entity. Holders should consult their own advisors regarding

the reporting obligations under these rules that may be applicable in respect of the Shares as a result of the Continuance.

#### *Required Shareholder Approval and Conditions*

At the Meeting, Shareholders will be asked to consider, and if thought appropriate, to approve the Continuance Resolution substantially in the form set out in Schedule "A", to continue the Company from the CBCA, which currently governs its affairs, to the NZCA. In order to be passed, the Continuance Resolution must be approved by a vote of not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by Shareholders at the Meeting, present in person or by proxy. The Board recommends that the Shareholders vote in favour of the Continuance Resolution. If named as a proxy, the management designees of the Company intend to vote the Shares represented by such proxy at the Meeting for the approval of the Continuance Resolution, unless otherwise directed in the proxy.

If the Continuance is approved at the Meeting, subject to the discretion of the Board of Directors to decide otherwise and abandon the Continuance, the Company will seek approval of the Registrar under the NZCA for continuance of the Company, as required by Section 188 of the CBCA and Part 19 of the NZCA. The Company intends to file an application for Articles of Discontinuance pursuant to Section 188 of the CBCA and a corresponding application for registration pursuant to section 345 of the NZCA to effect the Continuance as soon as practicable after the Continuance Resolution is passed at the Meeting.

Subject to appropriate Shareholder approval and such filings, the Continuance will be effective as of the date shown on the Certificate of Registration pursuant to Section 348 of the NZCA. The Company will file notice with the Director under the CBCA of the Continuance under the NZCA at which point the Director, upon being satisfied with the continuance into another jurisdiction and that no creditors or shareholders will be adversely affected, will file notice and issue a certificate of discontinuance. The CBCA will cease to apply to the Company on the date of the certificate of discontinuance, which shall be dated on or about the same date as the Certificate of Registration under the NZCA.

**UNLESS OTHERWISE INDICATED, THE PERSONS NAMED IN THE ACCOMPANYING PROXY WILL VOTE FOR IN FAVOUR OF THE FILING OF ARTICLES OF DISCONTINUANCE UNDER THE CBCA AND ARTICLES OF CONTINUANCE WITH THE NEW ZEALAND REGISTRAR OF COMPANIES TO CONTINUE THE CORPORATION UNDER NEW ZEALAND LAW**

#### **4. Ratification of Issue of Options to Directors, Officers and Consultants of the Company**

Pursuant to the terms of the stock option plan, the Company has granted 6,910,000 options for no consideration to directors, officers and consultants of the Company or their respective nominees exercisable into 6,910,000 common shares of the Company at an exercise price of CAD\$0.24 per option exercisable on or before March 4, 2018 (the options being collectively referred to as the "**Plan Participant Options**").

The grant of the Plan Participant Options is designed to encourage the plan participants to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through equity ownership.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval.

ASX Listing Rule 7.1 requires shareholder approval to the proposed issuance of securities in the Company. ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issuance of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's securities then on issue.



The Company is seeking ratification under ASX Listing Rule 7.4 for the issue of the Plan Participant Options to acquire Shares to various plan participants of the Company (or their nominees) in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) The Plan Participant Options were issued to the following Directors, Officers and Consultants upon the following terms:

<b>Name of Optionee</b>	<b>Position of Optionee</b>	<b>No. of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Dason Investments Limited (nominee of David A. Seton)	Executive Chairman	880,000	\$0.24	March 4, 2018
Kevin Tomlinson	Deputy Chairman and Director	655,000	\$0.24	March 4, 2018
Jon Morda	Director	500,000	\$0.24	March 4, 2018
Leslie Robinson	Director	390,000	\$0.24	March 4, 2018
Jura Trust Limited (nominee of John A. G. Seton)	Chief Executive Officer	1,395,000	\$0.24	March 4, 2018
Whakapai Consulting Limited (nominee of S. Jane Bell)	Chief Financial Officer	750,000	\$0.24	March 4, 2018
Avora Limited, trustee of Lloyd Beaumont Trust No. 2 (nominee of Paul F. Seton)	Chief Commercial Officer	870,000	\$0.24	March 4, 2018
Jeffrey D. Klam	General Counsel & Corporate Secretary	840,000	\$0.24	March 4, 2018
Starsail Capital Limited (nominee of Charles A. F. Barclay)	Chief Technical Officer	410,000	\$0.24	March 4, 2018
James W. Hamilton	Vice-President, Investor Relations	20,000	\$0.24	March 4, 2018
Le Minh Kha	General Director of Phuoc Son Gold Company Limited and Bong Mieu Gold Mining Company Limited	200,000	0.24	September 3, 2017

- (b) the Plan Participant Options were issued for no consideration;
- (c) the full terms and conditions of the options are described in the form of Stock Option Agreement attached as Schedule "D";
- (d) no funds were raised from the issue of the Plan Participant Options.

For the purposes of the above, the Company will disregard any votes cast on the foregoing resolution by any of the above directors, officers or consultants or their respective associates. However, the Company

need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Board recommends that Shareholders vote in favour of the ratifying of the issuance of the Plan Participant Options on the terms described above.

**UNLESS OTHERWISE INDICATED, THE PERSONS NAMED IN THE ACCOMPANYING PROXY WILL VOTE FOR THE RATIFYING OF THE ISSUANCE OF THE PLAN PARTICIPANT OPTIONS ON THE TERMS DESCRIBED ABOVE.**

#### **5. Re-Appointment of Auditors**

At the Meeting, Shareholders will be asked to approve a resolution appointing Ernst & Young LLP, Chartered Accountants, as auditors of the Company and authorizing the directors to fix their remuneration. Ernst & Young LLP were first appointed auditors of the Company on April 20, 2004.

The Board recommends that Shareholders vote in favour of reappointing Ernst & Young LLP, Chartered Accountants, as auditors of the Company and authorizing the directors to fix their remuneration.

**UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING PROXY WILL VOTE FOR THE REAPPOINTMENT OF ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.**

#### **ANY OTHER MATTERS**

Pursuant to the CBCA, proposals intended to be presented by Shareholders for action at the Meeting must comply with the provisions of the CBCA and be deposited at the Company's head office not later than July 4, 2013 in order to be included in the Information Circular and form of proxy relating to such Meeting. The Company did not receive any such Shareholder proposals.

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

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **Named Executive Officers**

For the purposes of this Information Circular, a Named Executive Officer (each an "NEO") of the Company means each of the following individuals:

- (a) the chief executive officer ("CEO") of the Company;
- (b) the chief financial officer ("CFO") of the Company;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 to NI 51-102, for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the fiscal year ended June 30, 2013, the Company's NEOs were David A. Seton, Executive Chairman, John Seton, Chief Executive Officer, S. Jane Bell, Chief Financial Officer, Darin Lee, Chief Operating Officer and Paul Seton, Chief Commercial Officer.

Each of the NEOs is engaged by the Company pursuant to management services agreement that sets out the NEO's base compensation and other entitlements.

### **Compensation Discussion and Analysis**

The Company's board of directors (the "**Board**") has delegated to the Compensation and Benefits Committee of the Board (the "**Compensation Committee**") the responsibility for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Board ensures that total compensation paid to its NEO's is fair and reasonable and is consistent with the Company's compensation philosophy.

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

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

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

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

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

Previously, compensation packages were reviewed annually with an effective period from January 1 to December 31. In order to closer align compensation practices with the Company's budgeting cycle and

with its change to a fiscal year end of June 30, compensation packages for the Company's directors and executive officers have been determined annually based on the period from July 1 to June 30 of the following year since July 1, 2012.

The Committee retains independent compensation consultants from time to time to advise on appropriate compensation levels with reference to the philosophy and objectives discussed above. For the NEO compensation packages for the fiscal year commencing July 1, 2012, the Company retained McDonald & Company (Australasia) Pty Ltd ("**McDonald**") to review the Company's compensation plan. In developing its recommendations, McDonald benchmarked the Company's compensation against that of the following mining issuers selected based on revenue, market capitalization, total assets and other select financial matrices:

Catalpa Resources Limited	CGA Mining Limited
Dragon Mining Limited	Focus Mining Limited
Galaxy Resources Limited	Integra Mining Limited
Intrepid Mines Limited	Ivanhoe Australia Limited
Kingsgate Consolidated Limited	Kula Gold Limited
Mincor Resources NL	Nautilus Minerals Inc.
Norton Gold Fields Limited	OceanaGold Corporation
PanAust Limited	Platinum Australia Limited
Rex Minerals Limited	Saracen Mineral Holdings Limited
Sundance Resources Limited	Terramin Australia Limited
Troy Resources NL	Unity Mining Limited

McDonald's recommendations were based off the Company being aligned with the second quartile (or better) for the companies selected as part of the benchmarking exercises.

The aggregate fees billed by the Company's independent compensation advisor in each of the last two fiscal years are as follows:

<i><b>Financial Year Ended</b></i>	<i><b>Executive Compensation Related Fees</b></i>	<i><b>All Other Fees</b></i>
2013	Nil	Nil
2012	AUD\$11,500	AUD\$4,750

### **Competitive Compensation**

The Company's principal goal is to create sustainable value for its Shareholders. The Company's compensation philosophy is based on the objectives of linking the interests of the executive officers with both the short and long-term interests of the Company, of linking executive compensation to the performance of the Company and the individual and of compensating executive officers at a level and in a manner that ensures the Company is capable of attracting, motivating and retaining individuals with exceptional executive skills. The executive compensation program is externally developed based on the recommendations of independent compensation consultants and reviewed and revised by the compensation committee as appropriate and is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term.

Compensation packages for the Company's executive officers consists of a base salary and participation in both a short-term incentive plan and long-term incentive plan. Base salaries are intended to be competitive with corporations of a comparable size and stage of development within the mining industry, thereby enabling the Company to compete for and retain executives critical to the Company's long-term success. The Company's short-term incentive compensation is directly tied to corporate performance. Long-term incentive compensation in the form of share ownership opportunities are provided to align the interests of executive officers with the longer-term interests of Shareholders.

## **Aligning the Interests of the NEOs with the Interests of the Company's Shareholders**

### *Base Salary*

The Board approves the base salaries for the executive officers of the Company based on the recommendations of the Committee and with the advice of the independent compensation consultant retained by the Committee. The level of base salary for executive officers is determined based on the scope of their responsibilities and their prior relevant experience, the level of past performance, as well as the importance of the position to the Company, taking into account competitive market compensation paid by other companies in the Company's industry for similar positions and the overall market demand for such executives. An executive officer's base salary will also be determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Company's overall compensation philosophy.

Base salaries are reviewed annually and increased for merit reasons, based on the executive officers' success in meeting or exceeding individual performance goals, as well as contributions to achieving company performance goals. Additionally, the Company adjusts base salaries as warranted throughout the year for promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

During the financial year ended June 30, 2013, the Company did not award increases in base salary of the NEOs as compensation levels were frozen owing to the significant decrease in the gold price commencing early 2013 and the difficult market conditions prevailing for junior mining companies. The compensation packages for the NEO's thus are based on the recommendations of McDonald, the Company's independent compensation consultant effective for the financial year beginning July 1, 2012.

### *Short-term Incentive Compensation*

Senior managers are eligible for an annual cash bonus determined with reference to corporate performance metrics, fixed at the beginning of the compensation period and assessed by the board of directors at the end of the compensation period.

Each executive officer is entitled to a payment calculated as a percentage of their base salary multiplied by the level of corporate performance achieved by the Company. The specific percentage is determined based on whether the Company achieved the threshold level, target level or maximum level of the respective corporate performance metrics. For the financial year ended June 30, 2013, the corporate performance metrics were based one-third on the Company's production levels, one-third on financial performance and one-third on the increase in the Company's resources and the definition of geological potential. The Company did not declare any bonuses to NEO's under the short-term incentive plan during the financial year ended June 30, 2013 as the Company did not meet the threshold level in any of the production, financial performance, or geological potential matrices.

### *Long Term Incentive Compensation*

The Company has no long-term incentive plans other than its Stock Option Plan (the "**Plan**"). The Plan is designed to encourage share ownership and entrepreneurship on the part of the executive officers and other employees. The Board believes that the Plan aligns the interests of the NEOs with Shareholders by linking a component of executive compensation to the longer term performance of the Shares.

Based on the recommendations of McDonald, the Company's independent compensation consultant, entitlements of executive officers under the long-term incentive plan are determined with reference to a multiplier of base salary. Annually, the board will consider the entitlement of each executive officer under the Plan based on the multiplier applicable to that executive and make such grants of options in order to bring the executive officer in line with his or her entitlement.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- any other employees or consultants who are eligible to participate in the Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. All of the NEOs are eligible to participate in the Plan.

### SUMMARY COMPENSATION TABLE

	Year	Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation			All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long- term incentive plans (\$)	Pension Value (\$)		
David A. Seton <sup>(1)</sup> Executive Chairman	2013	390,000	N/A	76,416	Nil	N/A	N/A	N/A	466,416
	2012 <sup>(5)</sup>	160,000	N/A	700,920	Nil	N/A	N/A	N/A	860,920
	2011	320,000	N/A	315,000	213,333	N/A	N/A	N/A	848,333
John A. G. Seton <sup>(2)</sup> Chief Executive Officer	2013	390,000	N/A	120,709	Nil	N/A	N/A	N/A	510,709
	2012 <sup>(5)</sup>	152,500	N/A	400,488	Nil	N/A	N/A	N/A	552,988
	2011	274,083	N/A	260,100	173,412	N/A	N/A	N/A	707,595
S. Jane Bell <sup>(3)</sup> Chief Financial Officer	2013	240,000	N/A	64,897	Nil	N/A	N/A	N/A	304,897
	2012 <sup>(5)</sup>	90,000	N/A	54,319	Nil	N/A	N/A	N/A	144,319
	2011	168,333	N/A	87,500	77,333	N/A	N/A	N/A	333,166
Darin Lee <sup>(4)</sup> Chief Operating Officer	2013	305,344	N/A	314,813	Nil	N/A	N/A	N/A	620,157
Paul Seton Chief Commercial Officer	2013	245,000	N/A	75,281	Nil	N/A	N/A	N/A	320,281
	2012 <sup>(5)</sup>	115,500	N/A	163,844	Nil	N/A	N/A	N/A	279,344
	2011	231,000	N/A	105,000	123,200	N/A	N/A	N/A	459,200

Notes: Figures represent value of options granted during a particular year; see "Aggregate Option" table for the aggregate number of options outstanding at year end. All amounts shown in the table are denominated in Canadian dollars.

- (1) Prior to August 16, 2011, David Seton served in the capacity of Chairman and Chief Executive Officer. Effective August 16, 2011, Mr. Seton resigned as Chief Executive Officer but continued to serve as Executive Chairman.
- (2) Prior to August 16, 2011, John Seton served in the capacity of Chief Financial Officer. Effective August 16, 2011, Mr. Seton was appointed Chief Executive Officer.
- (3) Prior to August 16, 2011, Jane Bell served in the capacity of Vice President, Finance. Effective August 16, 2011, Ms. Bell was appointed Chief Financial Officer.
- (4) Darin Lee was appointed Chief Operating Officer effective September 1, 2012.
- (5) 2012 was a six-month transitional fiscal year.

**Perquisites and Personal Benefits**

The Company does not award perquisites or other personal benefits to its NEOs other than benefits integrally and directly related to the performance of the NEO's duties.

**Incentive Plan Awards – valued vested or awarded during the year**

NEO	Option-based awards – Value vested during the year (\$) <sup>(1)(2)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David A. Seton	Nil	Nil	Nil
John Seton	Nil	Nil	Nil
S. Jane Bell	Nil	Nil	Nil
Darin Lee	Nil	Nil	Nil
Paul Seton	Nil	Nil	Nil

(1) This amount is based on the difference between the market value of the securities underlying the options at June 30, 2013, which was \$0.05 and the exercise price of the options.

(2) Options vest as determined by the Board at the date of grant. The in-the-money value of stock options issued to NEO's that vested or was awarded during the financial year ended June 30, 2013 was nil.

**Outstanding share based awards and option based awards at June 30, 2013**

The following table sets forth details on outstanding share based awards and option based awards at June 30, 2013, for the NEOs.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option Exercise price (\$)	Option expiration date	Value of unexercised In-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
David A. Seton	880,000	0.24	March 4, 2018	Nil	2,700,000	Nil
	2,700,000	0.33	March 13, 2017	Nil	Nil	Nil
	722,872	0.52	February 15, 2017	Nil	Nil	Nil
	500,000	0.52	February 14, 2017	Nil	Nil	Nil
	751,599	0.532	September 25, 2016	Nil	Nil	Nil
	810,938	0.72	December 31, 2015	Nil	Nil	Nil
	1,573,618	0.40	December 31, 2014	Nil	Nil	Nil
John A. G. Seton	1,395,000	0.24	March 4, 2018	Nil	1,395,000	Nil
	562,500	0.26	June 17, 2017	Nil	Nil	Nil
	900,000	0.33	March 13, 2017	Nil	Nil	Nil

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option Exercise price (\$)	Option expiration date	Value of unexercised In-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
	1,000,000	0.52	February 14, 2017	Nil	Nil	Nil
	620,606	0.532	September 25, 2016	Nil	Nil	Nil
	254,213	0.515	August 15, 2016	Nil	Nil	Nil
	540,625	0.72	December 31, 2015	Nil	Nil	Nil
	750,000	0.60	April 1, 2015	Nil	Nil	Nil
	750,000	0.42	April 1, 2015	Nil	Nil	Nil
	997,252	0.45	December 31, 2014	Nil	Nil	Nil
	1,000,000	0.40	December 31, 2014	Nil	Nil	Nil
S. Jane Bell	750,000	0.24	March 4, 2018	Nil	750,000	Nil
	93,750	0.32	April 30, 2017	Nil	Nil	Nil
	200,000	0.52	February 14, 2017	Nil	Nil	Nil
	25,000	0.52	February 14, 2017	Nil	Nil	Nil
	238,603	0.532	September 25, 2016	Nil	Nil	Nil
	190,279	0.515	August 15, 2016	Nil	Nil	Nil
	128,720	0.72	December 31, 2015	Nil	Nil	Nil
	277,697	0.40	December 31, 2014	Nil	Nil	Nil
	104,167	0.80	September 28, 2013 <sup>(2)</sup>	Nil	Nil	Nil



Darin Lee	4,562,500	0.24	September 3, 2017	Nil	4,562,500 <sup>(3)</sup>	Nil
	1,031,250	0.26	June 17, 2017	Nil	Nil	Nil
	250,000	0.52	February 14, 2017	Nil	Nil	Nil
	250,533	0.532	September 25, 2016	Nil	Nil	Nil
	270,313	0.72	December 31, 2015	Nil	Nil	Nil
	1,000,000	0.40	December 31, 2014	Nil	Nil	Nil
	555,394	0.40	December 31, 2014	Nil	Nil	Nil
Paul Seton	870,000	0.24	March 4, 2018	Nil	870,000	Nil
	1,031,250	0.26	June 17, 2017	Nil	Nil	Nil
	250,000	0.52	February 14, 2017	Nil	Nil	Nil
	250,533	0.532	September 25, 2016	Nil	Nil	Nil
	270,313	0.72	December 31, 2015	Nil	Nil	Nil
	1,000,000	0.40	December 31, 2014	Nil	Nil	Nil
	555,394	0.40	December 31, 2014	Nil	Nil	Nil

(1) This amount is based on the difference between the market value of the securities underlying the options at June 30, 2013, which was \$0.05 and the exercise price of the options.

(2) These options expired as of the date indicated above.

(3) These options vested on September 4, 2013.

### Pension Plan Benefits

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

### Defined Benefit or Actuarial Plan Disclosure

The Company does not have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service of the Company's officers and key employees. The Company does not provide retirement benefits for directors or executive officers.

### Termination and Change of Control Benefits

The Company has entered into a management services agreement (each an "Executive Agreement") with each of its NEO's that provide for specific benefits in the event that NEO's employment is terminated voluntarily by the NEO upon notice to the Company or following a material change in the NEO's responsibilities or by the Company upon notice. A summary of these benefits follows.

#### *Termination*

Pursuant to the Executive Agreements, the Company is required to make certain payments upon termination (whether voluntary, involuntary, or constructive), resignation or retirement or upon a change in the NEO's responsibilities, as applicable. An estimate of the amount of these payments assuming that

the triggering event giving rise to such payments occurred on June 30, 2013, is set out in the table below and is more fully described in the section that follows:

NEO	Triggering Event			
	Resignation Retirement	or	Termination Cause	without Material Change in Responsibilities
David Seton	Nil		\$975,000	\$975,000 <sup>(1)</sup>
John Seton	Nil		\$975,000	\$975,000 <sup>(1)</sup>
S. Jane Bell	Nil		\$300,000	\$300,000 <sup>(2)</sup>
Darin Lee	Nil		\$182,500	\$182,500 <sup>(3)</sup>
Paul Seton	Nil		\$612,500	\$612,500 <sup>(1)</sup>

- (1) equivalent to 30 months' salary
- (2) equivalent to 15 months' salary
- (3) equivalent to 6 months' salary

*Termination by the NEO*

The NEO may terminate his or her Executive Agreement and the services being provided by it thereunder by giving the Company at least three (3) months prior written notice (the "NEO's Termination Notice"), provided that the Company shall have the right to give written notice to the NEO that the Company is waiving the full notice period and is permitting the agreement and the services of the NEO to be terminated upon a date that is less than three months after the date of the NEO's Termination Notice as determined by the Company (the "Company's Termination Notice") and further provided that all salaries or fees payable to the NEO or the NEO's management company, and all other obligations of the Company to the NEO hereunder shall cease upon the date specified in the NEO's Termination Notice or the Company's Termination Notice, whichever is applicable provided that if the Company provides the Company's Waiver of Notice, it will be obligated to pay fees up to and including the date specified in the Consultant's Termination Notice at the rate of the Consultant's annual fee or salary in effect at the time of the notice subject to a maximum of three (3) months payment.

The NEO shall be entitled to terminate his/her Executive Agreement immediately upon serving written notice to the Company in the event that:

- 1) a receiver or liquidator is appointed in respect of the Company; or
- 2) the Company fails to pay any moneys payable thereunder within fourteen (14) calendar days of the due date and shall further fail to pay such moneys within fourteen (14) calendar days of receiving written notice of such failure from the NEO.

The NEO may also terminate the Executive Agreement by giving the Company at least seven (7) days' notice if without the written agreement of the NEO, the nature of the duties, requirements and arrangements of the NEO are substantially changed such that the nature of the work that is required to be performed is not work which is consistent with the work ordinarily required to be performed for a position similar to that assumed by an executive for a publicly listed mining company and certain other enumerated circumstances, in which event the Company shall be obligated to provide the NEO with a payment which shall be payable on the fifth calendar day following the date of the notice of termination (the "Employee's Notice of Termination") and shall consist of the following, subject to the NEO executing and delivering a full and final release in writing to the Company:

- (i) the NEO's full fee through to the date of termination at the amount in effect at the time the Employee's Notice of Termination was given and the amount of any allowable expenses reimbursable;

- (ii) in lieu of further fees for periods subsequent to the date of the Employee's Notice of Termination, a payment as per the above table;
- (iii) an amount equal to the average of (i) the target bonus payable under the Company's short-term incentive plan to the NEO for the current fiscal year, and (ii) the greater of the bonuses actually paid to the NEO in each of the previous two fiscal years; prorated over the number of months provided for in the above table; and
- (iv) in lieu of common shares of the Company issuable upon exercise of options, if any, previously granted to the Consultant under the Company's incentive programs and remaining unexercised at 5:00 p.m. (Toronto time) on the fourth calendar day following the date of termination, a cash amount equal to the aggregate difference between the exercise price of all options held by the NEO, whether or not then fully exercisable, and the average of the closing prices of the Company's common shares as reported on the Toronto Stock Exchange and Australian Securities Exchange for thirty (30) calendar days preceding the date of termination. The above payment is subject to the NEO's right to waive such payment whereupon in accordance with the Company's stock option plan, the NEO's unvested options on shares of the Company shall immediately vest and all of the NEO's options on shares of the Company will expire within ninety (90) days of the Date of Termination.

The Executive Agreements with Dason Investments Limited providing for the services of David Seton as Executive Chairman and with Jura Trust Limited providing for the services of John Seton as Chief Executive Officer also provide each such executive with the right to terminate their agreement and receive the payment described above in the event that such executive is not included as a nominee of management of the Company as a Director at any meeting of shareholders of the Company at which Directors are to be elected if requested by the executive in writing at least ten days prior to the deadline for mailing the management proxy circular in respect of such meeting of shareholders of the Company or in the event such executive is not elected as a director, if nominated.

#### *Termination by the Company*

The Company may at any time terminate an Executive Agreement and the engagement of the NEO without cause. In this event the Company shall be obligated to pay the NEO the amounts set out below on the fifth calendar day following the date of the notice of termination (the "Company's Notice of Termination"), subject to the NEO executing and delivering a full and final release in writing to the Company:

- (i) the NEO's full fee through to the date of termination at the amount in effect at the time the Company's Notice of Termination was given and the amount of any allowable expenses reimbursable;
- (ii) in lieu of further fees for periods subsequent to the date of the Company's Notice of Termination, a payment as per the above table;
- (iii) an amount equal to the average of (i) the target bonus payable under the Company's short-term incentive plan to the NEO for the current fiscal year, and (ii) the greater of the bonuses actually paid to the NEO in each of the previous two fiscal years; prorated over the number of months provided for in the above table; and
- (iv) the NEO's options on shares of the Company shall remain in full force and effect for the earlier of the expiry date of such options or twelve (12) months following the Company's Notice of Termination and the option agreements shall be deemed to have been amended, to the extent required, to the effect that any provision which would otherwise

terminate such options as a result of the termination of the NEO's services shall be null and void.

The Company may at any time terminate an Executive Agreement for any just cause that would in law permit the Company to, without notice, terminate the NEO, in which event the NEO shall not be entitled to the payments set forth above, but shall be entitled to receive the full amount of the NEO's fees due through to the date of the notice of termination plus reimbursement of any allowable expenses.

#### *General Termination Provisions*

On a NEO's termination for any reason, the NEO agrees to deliver up to the Company all equipment, documents, financial statements, records, plans, drawings, papers of every nature in any way relating to the affairs of the Company and its associated or affiliated companies which may be in its possession or under its control.

The NEO shall not be required to mitigate the amount of any payment provided for under any paragraph of these termination provisions by seeking other engagement or otherwise nor shall the amount of any payment provided by the termination provisions be reduced by any other compensation earned by the NEO as a result of engagement by another client after the date of termination or otherwise.

The Company shall have full rights to offset any money properly due by the NEO or the Manager to the Company against any amounts payable by the Company to the NEO hereunder.

The NEO will cease to be enrolled in any Company benefit plan after the last day of any notice period given.

#### **Compensation Governance**

The Compensation Committee is comprised only of independent members. The current members of the Compensation Committee are Kevin M. Tomlinson (chair), Leslie G. Robinson and N. Jon Morda. The significant industry experience of each of the Compensation Committee members, either as directors or officers of publicly traded international companies or of significant international financial institutions provides them with a suitable perspective to make decisions on the appropriateness of the Company's compensation practices and policies.

The Compensation Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) the establishment and ongoing review of compensation policies including all incentive and equity based compensation policies,
- (b) the performance evaluation of the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the board of directors and all officers of the Company including approving awards under any incentive or equity based compensation plans, including the Company's stock option plan, and
- (c) succession planning, including the appointment, training and evaluation of senior management.

The full text of the Compensation Committee's charter is attached hereto as Schedule "G".

As discussed above, the Board did not increase base salaries for the fiscal year commencing July 1, 2013 due to the significant decrease in the gold price and the difficult market conditions prevailing for junior mining companies. The Compensation Committee intends to annually review best practice developments in this regard to ensure that current packages do not create undue risk to the Company

and to ensure the alignment of compensation packages with the objective of enhancing Shareholder value through an increased share price.

#### *Mitigation of Compensation Risks*

The Compensation Committee believes that the Company's executive compensation policies and practices do not increase its risk profile. The Compensation Committee has designed the Company's compensation policies and practices to include safeguards designed to mitigate compensation risks, including the following:

- The engagement of independent compensation advisors to provide recommendations as to compensation levels taking into account the Company's policies and practices in relation to its peer group;
- Cash compensation of annual cash bonuses is capped to ensure preservation of capital and to provide payout boundaries;
- The inclusion of a broad range of metrics (production output, financial performance and resource expansion and upgrading) in calculating annual cash bonuses pursuant to the Company's short-term incentive plan;
- Regular review of the Company's long-term incentive plan and grants thereunder is undertaken to ensure continued relevance, applicability and peer group competitiveness;
- An anti-hedging policy which ensures that executives cannot participate in speculative activity related to the Company's securities.

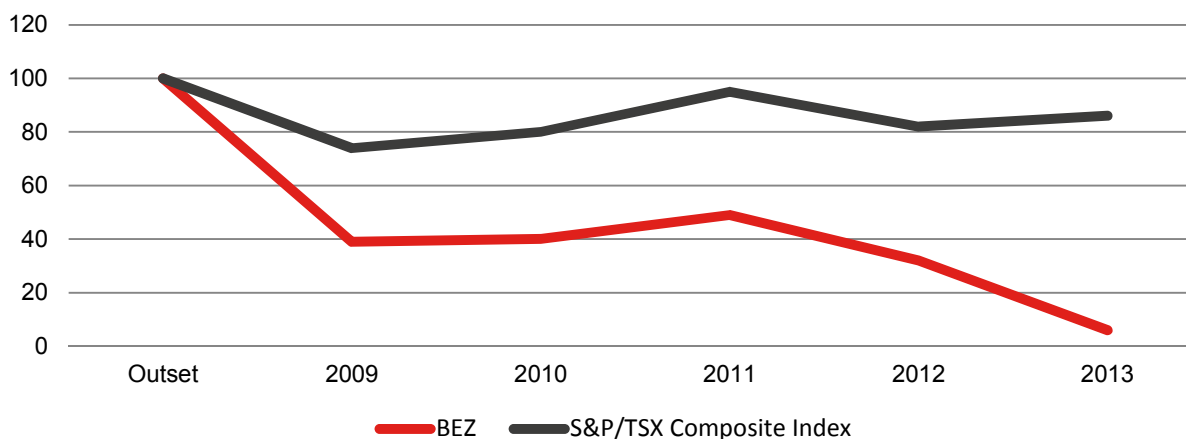
#### *Purchase of Financial Hedge Instruments*

The Company's Securities Trading Policy expressly restricts the ability of any "Insiders" of the Company (as defined in the Policy, which includes all directors and officers) from speculating on the trading price of the Shares. Specifically, the Securities Trading Policy forbids Insiders from engaging in any short swing trades, short sales purchasing, call and put options, or buying securities of the Company on margin or generally engaging in any type of hedging activity which is intended to offset the economic value of any direct or indirect interest of such Insiders in any securities of the Company.

#### **Performance Graph**

The following chart compares the total cumulative Shareholder return on \$100 invested in Shares of the Company on January 1, 2008 with the cumulative total returns of the S&P/TSX Composite Index at the end of the five most recently completed financial years.

### Cumulative Total Shareholder Returns Besra Gold Inc vs TSC Composite Index



### Director Compensation

The Company paid a total of \$252,693 to non-executive directors of the Company during the fiscal year ended June 30, 2013. In the second quarter of 2008, the Company set up a deferred share unit plan for the non-executive members of the Board of Directors. Under this plan, fees are paid as deferred share units (the “DSUs”) whose value is based on the market value of the common shares. Under terms of the plan, the DSU plan will be an unfunded and unsecured plan. The DSUs are paid out in cash upon retirement/resignation. The value of the DSU cash payment changes with the fluctuations in the market value of the common shares. Compensation expense for this plan is recorded in the year the payment is earned and changes in the amount of the DSU payments as a result of share price movements are recorded in management fees and salaries in the Consolidated Statements of Operation in the period of the change. No DSUs were granted during the fiscal year ended June 30, 2013. Liabilities related to this plan are recorded in accrued liabilities in the Consolidated Balance Sheet and totalled \$11,275 as at June 30, 2013.

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jon Morda	77,693	Nil	43,265	Nil	Nil	Nil	120,958
Kevin Tomlinson	100,000	Nil	56,677	Nil	Nil	Nil	156,677
Leslie Robinson	75,000	Nil	33,747	Nil	Nil	Nil	108,747

Notes: Relevant disclosure has been provided in the Summary Compensation Table above for directors who receive compensation for their services as Named Executive Officers. Figures represent value of options granted during a particular year; see “Aggregate Option” table for the aggregate number of options outstanding at year end. All amounts shown in the table are denominated in Canadian dollars. The disclosure is for the year ended June 30, 2013.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

### Schedule of Directors' Fees

Effective July 1, 2013, the directors' fees were set at a rate of \$75,000 annually (\$100,000 for the lead independent director) based on the recommendations of McDonald, the Company's independent compensation consultant and as approved by the Shareholders at the Company's annual and special meeting of shareholders held on May 29, 2012. No additional fees are payable for attendance at meetings or for chairing a committee of the Board. However, the Company will reimburse the directors for their reasonable expenses incurred in connection with their services.

### Outstanding Option-Based Awards

The following table sets forth for each director who is not a NEO all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
N. Jon Morda	500,000	0.24	04 March 2018	n/a	500,000	n/a
	315,000	0.33	04 March 2017	nil	nil	nil
	250,000	0.52	14 Feb 2017	nil	nil	nil
	128,720	0.72	31 Dec 2015	nil	nil	nil
	750,000	0.42	01 April 2015	nil	nil	nil
	750,000	0.60	01 April 2015	nil	nil	nil
Kevin M. Tomlinson	665,000	0.24	04 March 2018	n/a	665,000	n/a
	1,750,000	0.52	14 Feb 2017	nil	nil	nil
	1,250,000	0.42	15 Jan 2017	nil	nil	nil
Leslie G. Robinson	390,000	0.24	04 March 2018	n/a	390,000	n/a
	150,000	0.32	30 April 2017	nil	nil	nil
	250,000	0.52	15 Feb 2017	nil	nil	nil
	128,720	0.72	31 Dec 2015	nil	nil	nil
	750,000	0.42	01 April 2015	nil	nil	nil
	750,000	0.60	01 April 2015	nil	nil	nil
	500,000	0.40	31 Dec 2014	nil	nil	nil

(1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Shares on the TSX on June 30, 2013, being the last trading date of the Company's shares for the financial year, which was \$0.05.

### Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth details of the value vested or earned by each director who is not an NEO during the most recently completed financial year for each incentive plan award.

Name	Option-based awards- Value vested during the year (\$) <sup>(1)</sup>	Stock-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
N. Jon Morda	nil	Nil	Nil
Kevin M. Tomlinson	nil	Nil	Nil
Leslie G. Robinson	nil	Nil	Nil

(1) This amount is based on the difference between the market value of the securities underlying the options at June 30, 2013, which was \$0.05 and the exercise price of the option.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

#### Background

Corporate governance relates to the activities of the Board, the members of which are elected by, and are accountable to, Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of Shareholders and contribute to effective and efficient decision-making. Canadian securities legislation and the ASX Corporate Governance Council establish corporate governance guidelines which apply to all public companies. In light of these guidelines, the Company has instituted its own corporate governance practices.

In preparing this statement of corporate governance practices, the Company has considered the reporting obligations in Form 58-101F1 to National Instrument 58 101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators (“NI 58 101”) as well as the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations with 2010 Amendments (the “**ASX Principles & Recommendations**”). Where the Company’s corporate governance practices follow the ASX Principles & Recommendations, the Company has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration by the Board, the Company’s corporate governance practices depart from a recommendation, the Company has offered full disclosure and reason for the adoption of its own practice, in compliance with the “if not, why not” regime.

#### Approach to Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs. Current versions of the Company’s corporate governance policies are available on the Company’s website at [www.besra.com](http://www.besra.com), under the section marked “Investors - Corporate Governance”.

As the Company’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration. At a minimum, the Company’s corporate governance policies are reviewed annually.



## **Board of Directors**

### *Mandate*

The Board is responsible for managing the business and affairs of the Company and, in doing so, must act honestly and in good faith with a view to the best interests of the Company. The Board has adopted a mandate, a copy of which is attached to this Management Information Circular as Schedule "E". The Board, with the advice of the Corporate Governance and Nominating Committee, reviews and assesses the adequacy of the Board's mandate at least annually or otherwise, as it deems appropriate. The Board discharges its responsibilities both directly and through its Audit Committee, Compensation and Benefits Committee and Corporate Governance and Nominating Committee. The Board also maintains an Independent Committee and may also appoint ad hoc committees from time to time to address issues of a more short-term nature.

### *Composition and Independence*

At present, the Board is currently composed of four directors, three of whom are considered to be independent of the Company. An "independent" director is a director who has no direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment.

The test of whether a business or other relationship is material is determined with reference to the nature of the relationship or the business and the circumstances and activities of the particular Director. Materiality is considered from the perspective of the Company, the persons or organizations with which the Director has an affiliation and from the perspective of the Director. A supplier of the Company is generally considered to be in a material relationship with the Company if the Company accounts for more than 5% of the supplier's consolidated gross revenue. A customer of the Company is generally considered to be in a material relationship with the Company if the customer accounts for more than 5% of the Company's consolidated gross revenue.

On this basis, Kevin M. Tomlinson (Lead Independent Director), Leslie G. Robinson and N. Jon Morda are considered to be independent directors.

Mr. David Seton, Executive Chairman of the Company is not considered to be an independent director due to his role as an executive officer of the Company. The Board believes that Mr Seton is the most appropriate person for the position of Chairman because of his qualifications, experience and familiarity with the Company and the jurisdictions in which it operates. Mr Seton actively seeks out the views of the independent directors on all Board matters.

In addition, Mr. Tomlinson was appointed Lead Independent Director. The responsibilities of the Lead Independent Director include, among other things, to ensure that the Board is able to function independently of management and to chair periodic meetings of the independent directors without management and non-independent directors present. In addition, the Lead Independent Director is charged with assisting the independent directors with fulfilling their governance responsibilities and overseeing the governance obligations of the board and its committees generally.

The independent directors of the board do not hold regularly scheduled meetings, however, they frequently meet prior to or following other committee meetings or as an *in camera* session during board meetings. Otherwise, meetings of the independent directors are held when considered necessary by the Lead Independent Director or as requested by any of the independent directors.

The Chair of the Company and the Chief Executive Officer are not the same individual.

Each Director has the right to access all relevant company information and to the Company's employees and, subject to prior consultation with the Chair, may seek independent professional advice from a

suitably qualified adviser at the Company's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chair's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

#### *Selection and Appointment of Directors*

The Corporate Governance and Nominating Committee of the Board has responsibility for selecting individuals qualified to be nominated or (re)appointed as members of the Board and for identifying the membership of the Board's committees. The nomination or appointment of directors is then approved by the Board.

To encourage an objective nomination process, the Corporate Governance and Nominating Committee, in considering potential nominees, takes into account the current size and composition of the board, the ability of the individual candidate to contribute to the effective management of the Company, the ability of the individual to contribute sufficient time and resources to the board, the current and future needs of the Company, the individual's direct experience in the mining industry, the individual's direct experience with public companies, the individual's skills and knowledge and the skills and knowledge of existing members of the board. The nominee must not have a significant conflicting public company association. The Corporate Governance and Nominating Committee seeks potential nominees with a broad range of audit, finance and technical expertise.

To date, the Corporate Governance and Nominating Committee has not required the assistance of an executive search firm for the identification of candidates for nomination as directors. However, the Committee has the ability to engage such a service as it sees fit.

#### *Skills, experience and expertise of each Director*

Information regarding each Director's skills, experience and expertise is as follows:

David A. Seton has been affiliated with the Company in various capacities since 1996. He has served as Chairman of the Board of Directors since August 23, 1996 and as the Company's Chief Executive Officer since November 17, 2005. Mr. Seton has also served as a director or managing director of a number of companies listed on the New Zealand and Australian Stock Exchanges in both the mining and non-mining industries. Previously, Mr. Seton was the Chairman of Polar Star Mining Corporation, a Canadian gold exploration and development company which trades on the Toronto Stock Exchange. He has over 20 years' business experience in Vietnam and over 30 years' experience in the mining industry. David Seton holds a Bachelor of Law from Victoria University Wellington.

Kevin Tomlinson has over 30 years of international mining experience, having worked in several key management positions in the mining and energy sectors. Major tenures have been as Manager Regional Exploration for Plutonic Resources, CEO of Austminex NL, Head of Research at Hartleys Australia, Director of Natural Resources at Williams de Broë and Managing Director, Investment Banking for Westwind Partners/Thomas Weisel/Stifel Nicolaus in London and Toronto. He is currently chairman of Maudore Minerals Ltd. (TSX-V) and a board member of Centamin Plc (LSE and TSX) and Samco Gold Limited (TSX-V). He has previously served as Chairman of Medusa Mining (ASX, AIM, and formerly TSX) and Dragon Mountain Gold (ASX). He holds a M.Sc. in Structural Geology, has completed a postgraduate finance diploma, and is a Liveryman of the Worshipful Company of International Bankers, a Freeman of London and a Fellow of the Chartered Institute for Securities & Investment.

Jon Morda has a Bachelor of Arts degree from the University of Toronto (1975) and is a member of the Institute of Chartered Accountants of Ontario (1980). He has over 20 years' experience in the mining industry, with several positions as Chief Financial Officer of mineral exploration and gold producing companies listed on the TSX. Mr. Morda retired in June 2011 as Chief Financial Officer of Alamos Gold

Inc. in Toronto, a mineral exploration and gold producing company listed for trading on the TSX. He currently is a director of Kootenay Silver Inc. (TSX-V).

Leslie Robinson has 20 years of experience in the financial markets sector, most recently as a senior manager with one of Australia's leading banks where he specialized in corporate and institutional advisory work. He holds a Bachelor of Commerce (Honors) degree.

#### *Attendance Record*

The table below shows the record of attendance by directors at meetings of the Board and its committees, as well as the number of Board and Board committee meetings held during the financial year ended June 30, 2013.

<b>Director</b>	<b>Board (5)</b>	<b>Audit Committee (4)</b>	<b>Compensation and Benefits Committee (2)</b>	<b>Corporate Governance and Nominating Committee (2)</b>	<b>Total</b>
David A. Seton	5/5	-	-	2/2	7/7
Leslie G. Robinson	5/5	4/4	2/2	2/2	13/13
N. Jon Morda	4/5	4/4	2/2	-	10/11
Kevin M. Tomlinson	5/5	2/4	2/2	2/2	11/13

#### *Other Directorships*

The following directors are currently directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions, as follows:

<b>Director</b>	<b>Reporting Issuer or Equivalent</b>
David A. Seton	N/A
Kevin M. Tomlinson	Centamin Plc Samco Gold Limited Maudore Minerals Ltd.
Leslie G. Robinson	N/A
N. Jon Morda	Kootenay Silver Inc.

#### **Board committees**

The Board of Directors has four committees being the Audit Committee, the Compensation and Benefits Committee, the Corporate Governance and Nominating Committee and the Independent Committee. Further information on each committee is provided below except for the Independent Committee which is discussed above.

#### *Audit Committee*

Please refer to the section of this Management Information Circular entitled "Audit Committee" for information on the composition of the Audit Committee and to Schedule "F" of this Management Information Circular for a copy of the Audit Committee's charter.

#### *Compensation and Benefits Committee*

The Company's compensation policies and practices generally are discussed in this Management Information Circular under the heading "Statement of Executive Compensation".

The primary objective of the Compensation and Benefits Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) the establishment and ongoing review of compensation policies including all incentive and equity based compensation policies,
- (b) the performance evaluation of the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the board of directors and all officers of the Company including approving awards under any incentive or equity based compensation plans, including the Company's stock option plan, and
- (c) succession planning, including the appointment, training and evaluation of senior management.

Please refer to the section of this Management Information Circular entitled "Statement of Executive Compensation – Compensation Governance" for information on the composition of the Compensation and Benefits Committee and to Schedule "G" of this Management Information Circular for a copy of the charter of the Compensation and Benefits Committee.

#### *Corporate Governance and Nominating Committee*

The primary objective of the Corporate Governance and Nominating Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) developing and recommending to the Board corporate governance guidelines for the Company and making recommendations to the Board with respect to corporate governance practices;
- (b) identifying individuals qualified to be nominated or appointed as members of the Board;
- (c) the structure and composition of Board committees; and
- (d) evaluating the performance and effectiveness of the Board.

The Corporate Governance and Nominating Committee is comprised of Mr. Leslie G. Robinson (Chair), Mr. Kevin Tomlinson and Mr. David Seton. As noted above, Mr. Seton is not considered an independent director.

#### **Position Descriptions**

##### *Executive Chairman*

The Board has adopted a position description for the Executive Chairman of the Company, a copy of which is attached to this Circular as Schedule "H". The Corporate Governance and Nominating Committee annually reviews the position description for the Executive Chairman and recommends any changes to the Board.

##### *Chief Executive Officer*

The Board has adopted a position description for the Chief Executive Officer of the Company, a copy of which is attached to this Circular as Schedule "I". The Corporate Governance and Nominating Committee annually reviews the position description for the Chief Executive Officer and recommends any changes to the Board.

##### *Chair of Board Committees*

The Company has not developed written position descriptions for the chair of each board committee. The Board has determined that given the size of the Board, the stage of development of the Company and the

fact that each committee has a comprehensive written charter, a written position description for the chairman of each committee is not required at this time.

## **Performance Evaluation**

### *Board, its committees and individual directors*

The Corporate Governance and Nominating Committee is responsible for assessing the effectiveness of the board, its committees and individual directors. However, the Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution as the Corporate Governance and Nominating Committee believes that such assessments are generally more appropriate for corporations of significantly larger size and complexity and that may have significantly larger boards of directors. However, each of the Executive Chairman and Lead Independent Director engages in regular discussions with the other directors as to their performance and contribution and that of the other directors. On an annual basis, the Board considers whether a more formal assessment process is appropriate.

### *Senior executives*

The Company's senior executives are subject to an annual performance evaluation that considers the contributions of each senior executive to the Company with reference to the senior executive's role, duties and responsibilities.

The Compensation and Benefits Committee performs an annual assessment of the effectiveness of the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer in attaining the Company's corporate objectives, budgets and milestones. The Compensation and Benefits Committee, upon the recommendations of the Executive Chairman, the Chief Executive Officers and the Chief Financial Officer, performs an annual assessment of the Company's other senior executives.

During the fiscal year ended June 30, 2013, the senior executives of the Company were evaluated as part of the Company's annual performance evaluation cycle.

## **Ethical Business Conduct**

### *Code of Business Conduct and Ethics*

The board has adopted a written code of business conduct and ethics applicable to the directors, officers and employees of the Company. The code was amended effective March 30, 2012 following a review undertaken by the Company of its corporate governance policies and practices. A copy of the Code of Business Conduct and Ethics is available on the Company's website ([www.besra.com](http://www.besra.com)) under the section entitled "Investors - Corporate Governance".

The objective of the Code is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. The Code addresses conflicts of interest, protecting the Company's assets, confidentiality, fair dealing with securityholders, customers, suppliers, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour.

The board monitors compliance with the Code. Under the Code, any officer, director or employee of the Company who suspects a violation of a law, regulation or the Code itself is obliged to report it to the Chairman of the Corporate Governance Committee.

In the event of a director having an interest in a material transaction involving the Company, the Director is required to declare their interest and abstain from voting on such transaction in accordance with the *Canada Business Corporations Act* and the Code of Business Conduct and Ethics.

The board seeks directors who have proven track records in areas ranging from legal and financial to exploration and mining in order to ensure a culture of ethical business conduct. In addition every employee is required to acknowledge he or she has reviewed the Code as a condition of employment and directors, senior officers and certain other employees and consultants identified by the Board are required to annually certify their compliance with the Code and the Company's other key corporate governance policies.

#### *Diversity Policy*

The Company has not established a formal diversity policy. Though the Corporate Governance and Nominating Committee considers issues relating to diversity when considering potential nominees for the board, the Company has not established a formal diversity policy given the size of the Company and the scarcity of highly qualified nominees.

#### **Continuous Disclosure and Shareholder Communication**

The Company has adopted a Public Disclosure Policy designed to ensure compliance with the companies reporting obligations in the various jurisdictions in which it maintains status as a public company or the equivalent.

The Company's Public Disclosure Policy is also designed to promote effective communication with shareholders and to encourage shareholder participation at general meetings. The Company actively communicates with its shareholders in order to identify the expectations of its shareholders and actively promote shareholder involvement in the Company. It achieves this by posting on its website, copies of all information which it files with securities regulatory authorities and stock exchanges. In addition, shareholders with internet access are encouraged to provide their email addresses to receive electronic copies of information made generally available by the Company. Alternatively, hard copies of information distributed by the Company are available on request or as otherwise required by law.

A copy of the Company's Public Disclosure Policy is available on the Company's website ([www.besra.com](http://www.besra.com)) under the section entitled "Investors - Corporate Governance".

#### **Risk Management**

It is the responsibility of the Board (pursuant to the Board Mandate) to ensure that 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. The Board is also responsible for ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems. Further, the Board reviews the principal risks inherent in the Company's business, including financial risks, through periodic reports from management of such risks. This review takes place in conjunction with the Board's review of operations and risk issues at each Board meeting, at which time the Board assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of the internal financial control and management information systems.

The Board, through the Audit Committee, must ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, reviews and assesses the effectiveness of such systems.

On a quarterly basis, as part of Audit Committee meetings, management of the Company is required to report on the effectiveness of the Company's risk management processes. In addition, the Company retained Grant Thornton LLP to perform an independent evaluation of the Company's internal control procedures, including its risk management procedures for the fiscal year ended June 30, 2013.

The Board has not received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 (Cth) is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks because the Chief Executive Officer and the Chief Financial Officer are not required to provide a declaration to the Board in accordance with section 295A of the Corporations Act as the Company is subject to the laws of Canada.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or was indebted to another entity where such indebtedness was 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, other than routine indebtedness.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

#### Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year-end:

#### Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved By Shareholders	44,427,497 <sup>(1)</sup>	\$0.40	965,405
Equity Compensation Plans Not Approved By Shareholders	N/A	N/A	N/A
<b>Total:</b>	44,427,497	\$0.40	965,405

Note:

(1) In addition, 237,357 DSUs were outstanding at June 30, 2013. The Board discontinued the DSU plan as at April 1, 2010.

#### Stock Option Plan

The Company adopted the Plan, approved by directors on April 24, 2007, which was most recently approved by the Shareholders of the Company at the Company's annual meeting held on October 26, 2012 and must be reapproved every three years. The purpose of the Plan is to provide an increased incentive for participants to contribute to the future success and prosperity of the Company. The key features of the Plan are as follows:

Under the Plan, stock options may be granted to directors, officers, employees and consultants of the Company and its affiliates or subsidiaries.

The Plan is a form of “evergreen/rolling maximum” incentive stock option plan which provides for the maximum number of Shares reserved for issuance under such plan to be no more than 12% of the issued and outstanding shares at the time of any stock option grant. In addition, the number of Shares subject to each option grant will be determined by the Board (or its duly appointed Compensation Committee) provided that any grant of options, may not result in the maximum number of Shares issuable:

- (a) to insiders of the Company, at any time, exceeding 10% of the Company’s issued and outstanding Shares (on a non-diluted basis) on the date of grant;
- (b) to insiders within any one-year period exceeding 10% of the Company’s issued and outstanding Shares (on a non-diluted basis) on the date of grant;
- (c) to any one individual insider within a one-year period, exceeding 5% of the outstanding Shares (on a non-diluted basis) at the time of the grant; and
- (d) to any non-employee directors, as a group, exceeding 5% of the outstanding Shares (on a non-diluted basis) at the time of grant;

The exercise price of any options granted shall be determined by the Board of Directors and shall not be less than the volume weighted average trading price of the Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the listed shares occurs, for the five trading days immediately prior to the date of grant (or, such other price required by the TSX) (calculated by dividing the total value by the total volume of securities traded for the relevant period) (“**Market Price**”). Options may be exercisable for a period of time fixed by the Board of Directors, not to exceed a maximum of up to five years (and may be adjusted if the expiry date falls within a blackout period imposed by the Company as described below), such period and any vesting schedule to be determined by the Board of Directors (or Compensation Committee) of the Company, and are non-assignable, except in certain circumstances.

The options are non-assignable and non-transferable except to “permitted assigns” of an optionee. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Plan. Options granted to any optionee who is a director, employee, consultant or management company employee must expire on the earlier of (i) ninety (90) days after the optionee ceases to be in a least one of these categories, unless amended by the board to provide a longer period; or (ii) the date the option expires in accordance with its terms; or (iii) the date provided for in any employment or consulting agreement between such optionee and the Company, however Shareholder approval is required to be obtained should this cause options held by an optionee who is an insider of the Company to be extended beyond their original expiry. If an optionee ceases to be employed or retained by the Company for cause or if an optionee is removed from office as a director or becomes disqualified from being a director by law, any option or the unexercised portion thereof granted to such optionee shall terminate forthwith.

In the event of death of the optionee, the outstanding options shall remain in full force and effect and exercisable by the heirs or administrators of the deceased optionee in accordance with the terms of the agreement for one (1) year from the date of death or the balance of the option period, whichever is earlier.

Options that expire during a period when the optionee is prohibited from trading the Company’s securities (a “**blackout period**”) can be adjusted, without being subject to the approval of the Board of Directors or the Shareholders of the Company, to take into account any blackout period imposed on the Optionee by the Company as follows:



- (a) if the expiry date falls within a blackout period imposed on the Optionee by the Company, then the expiry date is the close of business on the 10<sup>th</sup> business day after the end of such blackout period (the "**Blackout Expiration Term**"); or
- (b) if the expiry date falls within two business days after the end of a blackout period imposed on the Optionee by the Company, then the expiry date is the date which is the Blackout Expiration Term reduced by the number of days between the original expiry date and the end of such blackout period. By way of example, Options whose expiry date is two business days after the end of the blackout period may be exercised for an additional eight business days.

Subject to the policies of the TSX, the Board of Directors may, at any time, without further action by its Shareholders, revise or amend the Plan or any option granted thereunder in such respects as it may consider advisable and, it may do so to:

- (a) ensure that the Options granted thereunder will comply with any provisions respecting stock options in the income tax and other laws in force in any country or jurisdiction of which a participant to whom an Option has been granted may from time to time be resident or a citizen;
- (b) change vesting provisions of an option or the Plan;
- (c) change termination provisions of an option provided that the expiry date does not extend beyond the original expiry date;
- (d) reduce the exercise price of an option for a participant who is not an Insider, but in no case will it be lower than Market Price; and
- (e) make amendments to correct typographical or clerical errors or to add clarifying statements to ensure the intent and meaning of an option or the Plan is properly expressed.

However, specific disinterested Shareholder approval is required to reduce the exercise price of an option or to increase the term of an option for an optionee who is an insider. Shareholder approval also will be required to amend, remove or exceed the insider participation limits described above, to increase the fixed maximum percentage of shares able to be issued under the plan or to amend the amending provisions of the plan.

All option shares subject to an option become vested in the event of a take-over bid, change of control, arrangement or corporate organization.

The exercise price and the number of Shares which are subject to an option may be adjusted from time to time for share dividends, and in the event of reclassifications, reorganizations or changes in the capital structure of the Company.

#### *Waiver from ASX Listing Rules 10.11 and 10.14*

Effective March 21, 2012, the Company received a waiver from ASX listing rules 10.11 and 10.14. The waiver is conditional on the Company:

- (i) complying with the requirements imposed on the Company under the rules of the TSX,
- (ii) excluding the votes of related parties (and their associates) or directors, as the case may be, and including a voting exclusion statement in any notice of meeting where the Company seeks shareholder approval for the issue of securities to a related party or director;

- (iii) certifying to the ASX on an annual basis that it remains subject to, has complied with, and continues to comply with, the requirements of the TSX with respect to the issue of securities to related parties or to directors under an employee incentive scheme, as the case may be; and
- (iv) advising ASX immediately if the Company (A) becomes aware of any change to the application of the TSX listing rules with respect to the issue of securities to related parties or to directors under an employee incentive scheme, as the case may be, or (B) is no longer in compliance with the requirements of TSX with respect to the issue of securities to related parties or to directors under an employee incentive scheme, as the case may be.

Accordingly, for so long as the Company complies with the above conditions, the Company will not be seeking shareholder approval for future grants of options to Directors pursuant to ASX listing rule 10.11 or 10.14.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

None of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, or during the ten years preceding the date of this Information Circular has been, a director or officer of any company, including the Company, that, while the person was acting in that capacity:
  - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
  - (ii) was subject to an event that resulted, after the director or proposed management nominee ceased to be a director or executive officer of the relevant company in the relevant company, being the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
  - (iii) or within a year of the proposed director nominee ceasing to be a director or officer of the relevant company, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (b) has, within the ten years preceding the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable securityholder of the Company in deciding whether to vote for a proposed director.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth above or elsewhere in this Management Information Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any Shareholder beneficially owning, directly or indirectly, Shares, or exercising control or direction over Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Shares nor an associate or affiliate of any of the foregoing persons has since July 1, 2012 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

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

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

Other than as set forth in this Management Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee's charter, composition of the audit committee and the fees paid to the external auditor. This information is provided below with respect to the fiscal year ended June 30, 2013.

### **The Audit Committee's Charter**

The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors. See the Audit Committee Charter attached as Schedule “F”.

### **Audit Committee Composition and Background**

The Audit Committee is comprised of N. Jon Morda (Chair), Leslie G. Robinson and Kevin M. Tomlinson. All three members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

*N. Jon Morda:* Mr. Morda is a Chartered Accountant, the former CFO of Alamos Gold Inc., a publicly traded corporation listed on the Toronto Stock Exchange (TSX, symbol AGI) and has over 20 years' experience.

*Leslie G. Robinson:* Mr. Robinson has 20 years' experience in the financial markets sector, most recently as a senior manager with one of Australia's leading banks where he specialized in corporate and institutional advisory work.

*Kevin M. Tomlinson:* Mr. Tomlinson has over 30 years of international mining experience, having worked in several key management positions in the mining and energy sectors as well as managing director of prominent investment backs in London and Toronto.

The Board of Directors has determined that N. Jon Morda is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the American Stock Exchange Company Guide. Mr. Morda is a Chartered Accountant.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Sections 2.4, 3.2, 3.4 or 3.5 of NI 52-110. No non-audit services were approved pursuant to a de minimus exemption to the pre-approval requirement.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Pre-Approval Policies and Procedures**

The Company's Audit Committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the audit committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor. All non-audit services performed by the Company's auditor for the financial year ended June 30, 2013 and the transitional six-month financial year ended June 30, 2012 have been pre-approved by the Audit Committee.

### **Independent Auditor's Fees**

The aggregate fees billed by Ernst & Young LLP, the Company's external auditors in each of the last two fiscal years are as follows:

<b><i>Financial Year Ended</i></b>	<b><i>Audit Fees<sup>(1)</sup></i></b>	<b><i>Audit Related Fees<sup>(2)</sup></i></b>	<b><i>Tax Fees<sup>(3)</sup></i></b>	<b><i>All Other Fees<sup>(4)</sup></i></b>
June 30, 2013	\$525,035	\$35,000	\$24,000	Nil
June 30, 2012	\$326,000	\$108,500	\$1,500	Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements which are not included under the heading "Audit Fees".

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

The Audit Committee must approve in advance any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensuring independence of the Auditors, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors and, as necessary, taking or recommending that the Board take appropriate action to oversee the independence of the auditors.

### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under "Company Profiles – Besra Gold Inc.". The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting James Hamilton, Investor Relations, at 10 King Street East, Suite 500, Toronto, ON M5C 1C3 (Phone: (416) 572-2525).

### **APPROVAL**

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

DATED October 18, 2013

**BY ORDER OF THE BOARD OF DIRECTORS**



David A. Seton  
Executive Chairman and Director

**SCHEDULE "A"**

**CONTINUANCE RESOLUTION**

**SPECIAL RESOLUTION OF SHAREHOLDERS**

BE IT RESOLVED as a special resolution of the shareholders of Besra Gold Inc. (the "Company") that:

1. The continuance of the Company under the *Companies Act 1993* (New Zealand) (the "NZCA") substantially upon the terms described in the accompanying Management Information Circular, is hereby approved.
2. Pursuant to Section 188(1) of the CBCA, the Company be and is hereby authorized to make application to Industry Canada for a Letter of Satisfaction and to the New Zealand Registrar of Companies to continue the Company pursuant to Section 345 of the NZCA as if the Company had been incorporated under the NZCA and make application to Industry Canada for a Certificate of Discontinuance.
3. The change of the Company's name to "Besra Gold Limited" as required by the NZCA as part of the Continuance is hereby approved.
4. Subject to and effective upon the issuance of a certificate under the NZCA confirming the Company is registered as a company under such legislation, and without affecting the validity of the incorporation and existence of the Company, the Company hereby approves and adopts, in substitution for the existing Articles, the constitution in the form attached as Schedule "B" to the accompanying Management Information Circular and all amendments to the existing Articles of the Company necessary to adopt such constitution are hereby approved.
5. Any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or to cause to be done all such other acts and things, as in the opinion of such director or officer of the Company may be necessary or desirable in order to fulfill the intent of the foregoing paragraphs of this resolution.
6. 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 and without further approval of, or notice to, the shareholders of the Company determine not to proceed with the Continuance, at any time prior to the issuance of a certificate of registration giving effect to the Continuance.

## SCHEDULE "B"

### PROPOSED CONSTITUTION OF BESRA GOLD LIMITED

#### 1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In this Constitution, unless the context otherwise requires:

**"Act"** means the Companies Act 1993 of New Zealand.

**"Alternate Director"** means a person appointed by a Director as his or her alternate under section 28.

**"ASX"** means ASX Limited or the financial market operated by ASX Limited as the context requires.

**"ASX Listing Rules"** means the Listing Rules of ASX and any other rules of ASX which are applicable to the Company while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any decision, determination, ruling or dispensation given by ASX affecting the application of the Listing Rules to the Company and subject to its listing agreement with the ASX.

**"Board"** means Directors who number not less than the required quorum acting together as the board of directors of the Company.

**"Class"** means a class of Securities having identical rights, privileges, limitations and conditions.

**"Company"** means Besra Gold Limited, being a company:

- (a) incorporated under the laws of Ontario, Canada on 7 July 4, 1951 under the name "Meta Uranium Mines Limited" (No Personal Liability);
- (b) which changed its name to "Medina Developments Inc" on August 24, 1978;
- (c) which was continued from Ontario, Canada to British Columbia, Canada under the name "Olympus Holdings Limited" on November 5, 1992;
- (d) which changed its name to "Olympic Pacific Minerals Inc" on November 29, 1996;
- (e) which continued from British Columbia, Canada to the Yukon, Canada on November 17, 1997;
- (f) which was continued from the Yukon, Canada into a Canadian Business Corporation under the Canada Business Corporations Act on July 13, 2006;
- (g) which changed its name to "Besra Gold Inc." on November 16, 2012; and
- (h) which was subsequently continued from Canada to New Zealand as a company under the Act.

**"Constitution"** means this constitution, as altered from time to time.

**"Director"** means a person appointed as a director of the Company.

**"Distribution"** means:

- (a) the direct or indirect transfer of money or property, other than Shares, to or for the benefit of a Shareholder; or
- (b) the incurring of a debt to or for the benefit of a Shareholder,

in relation to Shares held by that Shareholder, whether by means of a purchase of property, the redemption or other acquisition of Shares, a distribution of indebtedness or by some other means.

**"Interest Group"**, in relation to any action or proposal affecting rights attached to Shares, means a group of Shareholders:

- (a) whose affected rights are identical; and
- (b) whose rights are affected by the action or proposal in the same way; and
- (c) who comprise the holders of one or more Classes, except where action is taken in relation to some holders of Shares in a Class and not others, or a proposal expressly distinguishes between some holders of Shares in a Class and other holders of Shares in that Class, in which case the holders of Shares in that Class may fall into two or more interest groups.

**"Interested"**, in relation to a Director, has the meaning set out in section 139 of the Act.

**"Listing Rules"** means the ASX Listing Rules and the applicable listing rules of any other securities exchange on which the Company's Shares or other Securities are traded.

**"month"** means calendar month.

**"Ordinary Resolution"** means a resolution that is approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question.

**"person"** includes an individual, partnership, firm, company, body corporate, corporation, association, organisation, trust, a state or government or any agency thereof, a municipal, local or regional authority, and any other entity or organisation, whether incorporated or not (in each case whether or not having a separate legal personality).

**"Personal Representative"** means:

- (a) in relation to a deceased individual Shareholder, the executor, administrator or trustee of the estate of that Shareholder;
- (b) in relation to a bankrupt individual Shareholder, the assignee in bankruptcy of that Shareholder; and
- (c) in relation to any other individual Shareholder a person appointed or deemed to have been appointed to administer property of that Shareholder under the Protection of Personal and Property Rights Act 1988, a manager appointed or deemed to have been appointed thereunder, and a donee of an enduring power of attorney complying with that Act.

**"Records"** means the documents required to be kept by the Company under section 189(1) of the Act.

**"Right"** means a right to acquire any Security or benefit of any kind, whether conditional or not, and whether renounceable or not.

**"Representative"** means:



- (a) a person appointed as a proxy under section 24;
- (b) a Personal Representative; or
- (c) a representative appointed by a corporation under section 25.1.

**"Security"** has the meaning set out in section 6 of the Financial Markets Conduct Act 2013 and includes any option to acquire a Security, and any Right.

**"Share"** means a share issued, or to be issued, by the Company, as the case may require.

**"Shareholder"** means:

- (a) a person whose name is entered in the Share Register as the holder for the time being of one or more Shares;
- (b) until the person's name is entered in the Share Register, a person named as a Shareholder in an application for the registration of the Company at the time of registration of the Company; and
- (c) until the person's name is entered in the Share Register, a person who is entitled to have that person's name entered in the Share Register as a Shareholder under a registered amalgamation proposal in respect of which the Company is the amalgamated company.

**"Share Register"** means the share register for the Company kept in accordance with the Act.

**"Share Registrar"** means an agent or agents appointed by the Company to maintain the Share Register (or part thereof).

**"Special Resolution"** means a resolution approved by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the question.

**"Working Day"** has the meaning set out in section 2 of the Act.

1.2 **Imported definitions:** In this Constitution, unless the context otherwise requires words or expressions which are defined in the Act (whether or not expressed with an initial capital letter) have the same meaning as given by the part of the Act that is relevant to the context in which that word or expression appears in this Constitution.

1.3 **Interpretation:** In this Constitution, unless the context otherwise requires:

- (a) the table of contents, headings, and descriptions relating to sections of the Act, are inserted for convenience only and shall be ignored in construing this Constitution;
- (b) the singular includes the plural and vice versa;
- (c) one gender includes the other genders;
- (d) reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
  - (i) that legislation or provision as from time to time amended, re-enacted or substituted;
  - (ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision;

- (e) "written" and "in writing" Include any means of reproducing words, figures and symbols in a tangible and visible form;
- (f) references to clauses and sections (other than sections of the Act) are references to clauses and sections in this Constitution, unless stated otherwise; and
- (g) words and expressions cognate with words or expressions defined in this Constitution have meanings corresponding to those of the defined words and expressions.

1.4 **Constitution to prevail:** If there is any conflict between:

- (a) a provision in this Constitution and a provision in the Act which is expressly permitted to be altered by this Constitution; or
- (b) a word or expression defined or explained in the Act and a word or expression defined or explained in this Constitution,

the provision, word or expression in this Constitution prevails.

**2. GENERAL**

2.1 **Companies Act 1993:** The Company, the Board, each Director and each Shareholder have the rights, powers, duties and obligations set out in the Act except to the extent that they are negated or modified by this Constitution.

2.2 **ASX Listing Rules:** The Board may from time to time decide whether to apply for, or continue or discontinue, the listing of the Company on the Official List of the ASX. If the Company is admitted to the Official List of the ASX, the following clauses apply:

- (a) Notwithstanding anything contained in this Constitution, if the ASX Listing Rules prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this Constitution prevents an act being done that the ASX Listing Rules require to be done.
- (c) If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the ASX Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (e) If the ASX Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (f) If any provision of this Constitution is or becomes inconsistent with the ASX Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

2.3 **Effect of failure to comply:** Subject to clause 2.2, failure to comply with:

- (a) the ASX Listing Rules; or
- (b) a provision of this Constitution corresponding with a provision of the ASX Listing Rules, whether such provision is set out in full in this Constitution or incorporated in it pursuant to clause 2.2),

shall not affect the validity or enforceability of any transaction, contract, action or other matter whatsoever (including the proceedings of, or voting at, any meeting) done or entered into by, or affecting, the Company, except that a party to a transaction or contract who knew of the failure to comply with the ASX Listing Rules or those provisions of this Constitution shall not be entitled to enforce that transaction or contract. This provision does not affect the rights of any holder of Securities of the Company against the Company or the Directors arising from failure to comply with the ASX Listing Rules or those provisions of this Constitution.

### 3. ISSUE OF SECURITIES

3.1 **Board may Issue Shares and other Securities:** The Board may issue Shares, Securities that are convertible into Shares, or options to acquire Shares and other Securities, to any person and in any number it thinks fit. The provisions of sections 45(1) and 45(2) of the Act shall not apply to any issue or proposed issue of Shares by the Company.

3.2 **Consolidation and subdivision of Shares:** Subject to any applicable provisions of this Constitution, the Board may:

- (a) consolidate and divide the Shares or any Class of Shares; and
- (b) subdivide the Shares or any Class of Shares,

in each case in proportion to those Shares or the Shares in that Class, as the case may be.

3.3 **Bonus issues:** Subject to any applicable provisions of this Constitution, the Board may resolve to apply any amount which is available for Distribution either:

- (a) in paying up in full Shares or other Securities of the Company to be issued credited as fully paid to:
  - (i) the Shareholders who would be entitled to that amount if it were distributed by way of dividend, and in the same proportions; and
  - (ii) if applicable, the holders of any other Securities of the Company who are entitled by the terms of issue of such Securities to participate in bonus issues by the Company, whether at the time the bonus issue is made to the Shareholders, or at some later time, in accordance with their respective entitlements; or
- (b) in paying up any amount which is unpaid on any Shares held by the Shareholders referred to in sub-clause (a)(i),

or partly in one way and partly in the other.

3.4 **Shares in lieu of dividends:** The Board may exercise the right conferred by section 54 of the Act to issue Shares to any Shareholders who have agreed to accept the issue of Shares, wholly or partly, in lieu of proposed dividends or proposed future dividends.

3.5 **Commissions:** The Board may from time to time, and subject to complying with all applicable provision of the Act with respect to financial assistance (if applicable), authorise the Company to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase Shares of the Company, whether from the Company or from any other person, or procuring or agreeing to procure purchaser(s) for such Shares.

#### **4. RIGHTS ATTACHING TO SHARES**

4.1 **Ordinary Shares:** Each ordinary Share in the Company at the date of adoption of this Constitution confers on the holder the following rights (in addition to the rights set out elsewhere in this Constitution):

- (a) subject to the rights of holders of any Shares or other Securities which confer special rights as to dividends, the right to an equal share in dividends authorised by the Board; and
- (b) subject to the rights of holders of any Shares or other Securities which confer special rights as to surplus assets, the right to an equal share in the distribution of surplus assets of the Company.

4.2 **New Shares:** Subject to section 3, further Shares in the Company (including different Classes of Shares) may be issued which have any one or more of the following features:

- (a) rank equally with, or in priority to, existing Shares in the Company;
- (b) have deferred, preferred or other special rights or restrictions, whether as to voting rights or distributions or otherwise;
- (c) confer preferential rights to distributions of capital or income;
- (d) confer special, limited or conditional voting rights;
- (e) do not confer voting rights;
- (f) are redeemable in accordance with section 68 of the Act; or
- (g) are convertible.

#### **5. ALTERATION OF RIGHTS OF SECURITY HOLDERS**

5.1 **Procedure:** Subject to clause 5.2, the Company shall comply with the provisions of sections 116 and 117 of the Act.

5.2 **Alteration of rights:** The issue by the Company of any further Shares or Securities which rank equally with, or in priority to, any existing Shares or Securities, whether as to voting rights, distributions, or otherwise, shall:

- (a) be permitted (subject to section 3); and
- (b) not be deemed to be an action affecting the rights attached to those existing Shares or other Securities.

#### **6. ACQUISITION AND REDEMPTION OF SHARES OR OTHER SECURITIES**

6.1 **Company may purchase, acquire or redeem Shares:** Subject to this Constitution and the terms of any applicable Listing Rules, the Company may purchase or otherwise acquire Shares or other Securities issued by the Company from one or more Shareholders or holders of Securities (as applicable), and may redeem any redeemable Shares or other Securities issued by the Company, in accordance with the provisions of the Act and this Constitution and may, subject to any requirements or restrictions imposed by law, hold any Shares or other Securities so purchased, acquired or redeemed.

6.2 **Company may acquire Shares on non-proportional basis:** Subject to this Constitution and any applicable Listing Rules, the Board may make an offer to acquire Shares or other Securities issued by the Company to one or more holders of such Shares or other Securities in such number or proportion as it thinks fit, in accordance with the Act, this Constitution and the applicable Listing Rules.

## 7. RESTRICTIONS ON FINANCIAL ASSISTANCE

7.1 **Prohibition on financial assistance:** The Company shall not give financial assistance for the purpose of, or in connection with, the acquisition of Shares or other Securities issued, or to be issued, by the Company unless the giving of that assistance is in accordance with the provisions of the Act and any applicable Listing Rules.

## 8. SHARE CERTIFICATES

8.1 **Issue of Share certificates:** The Company shall not be required to issue Share certificates with respect to such of the Company's Shares as can be transferred in accordance with the rules of a designated settlement system (as defined in the Act), or under a system authorised or approved under the Securities Transfer Act 1991, that does not require a share certificate for the transfer of Shares. In all other instances, the Company shall issue share certificates for Shares in accordance with the requirements of section 95(1) of the Act and any applicable Listing Rules.

8.2 **Replacement Share Certificates:** The Board or any officer or agent designated by the Board may in its or such person's discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated, or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken, upon payment of such reasonable fee, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.3 **Joint Shareholders:** If two or more persons are registered as joint holders of any Share, the Company shall not be bound to issue more than one share certificate in respect thereof, and delivery of such certificate to the first-named joint holder or to such address as may be specified on the Share Register with respect to the joint holders shall be sufficient delivery to all of them.

## 9. EQUITABLE INTERESTS IN SHARES

9.1 **No notice of trusts:** No notice of a trust, whether express, implied, or constructive, may be entered on the Share Register.

9.2 **No recognition of equitable interests:** Except as required by law and as provided by this Constitution, no person shall be recognised by the Company as holding any Share upon trust and the Company shall not be bound by, nor be compelled to recognise (even after notice), any equitable, contingent, future or partial interest in any Share, or any interest in any fraction or part of a Share or (except as provided by this Constitution or by law) any other rights in respect of any Share, except an absolute right of the registered holder to the entire Share.

9.3 **Other Securities:** The provisions of this section 9 will apply to other Securities as if every reference in this section to "Shares" and to "Share Register" was also a reference respectively to "Securities" and "Securities register".

## 10. CALLS ON SHARES

10.1 **Board may make calls:** The Board may, from time to time, make such calls as it thinks fit upon the Shareholders in respect of any amounts unpaid on any Shares held by them which are not made payable at fixed times by the terms of issue of those Shares. A call may be made payable by instalments. The Board may revoke or postpone a call before payment is received.

- 10.2 **Time of call:** A call is deemed to be made at the time when the resolution of the Board making the call is passed.
- 10.3 **Fixed instalments deemed calls:** An amount which, by the terms of issue of a Share, is payable on allotment or at a fixed date is deemed for the purposes of this Constitution to be a call duly made and payable on the date on which the amount is payable (and the provisions of this section 10 and sections 11 to 13 shall apply accordingly).
- 10.4 **Notice of call:** At least 14 days' notice of any call shall be given to the holder of the Share in respect of which the call is made, specifying the time and place of payment.
- 10.5 **Differential calls:** Calls may be made in respect of certain Shares and not others and for different amounts in respect of certain Shares from others. The Board may, on the issue of Shares, differentiate between the Shareholders as to the amounts to be paid in respect of the Shares and the times of payment of such amounts.
- 10.6 **Liability to pay:** Each relevant Shareholder shall be liable (jointly and severally in the case of joint Shareholders) to pay, in accordance with the relevant notice, every call and shall remain liable to do so notwithstanding the subsequent transfer of the relevant Shares.
- 10.7 **Default interest:** If a call in respect of a Share is not paid on or before the due date, the Shareholder by whom the call is payable shall pay interest on the call from the due date to the date of actual payment at such rate as the Board determines, unless the Board waives payment of interest wholly or in part.
- 10.8 **Proceedings for recovery of call:** In any proceedings for recovery of moneys due in respect of any call a statutory declaration by a Director or any other person authorised by the Board that:
- (a) the name of the relevant Shareholder is entered in the Share Register as the holder, or one of the holders, of the Shares to which the call relates; and
  - (b) the resolution making the call is recorded in the records of the Company; and
  - (c) notice of the call was sent out to the Shareholder,
- shall be conclusive evidence of the indebtedness of the Shareholder to the Company in respect of the call.
- 10.9 **Payment in advance of calls:** The Company may receive from any Shareholder in advance any amount uncalled and unpaid upon any Shares held by that Shareholder and may, until the date on which the amount becomes payable pursuant to a call, pay interest on the amount at such rate and on such terms as the Board determines.
- 11. FORFEITURE OF SHARES**
- 11.1 **Notice requiring payment of call:** If a Shareholder fails to pay any call or instalment of a call on the due date, the Company may at any time thereafter by written notice to that Shareholder require payment of the amount unpaid together with any accrued interest and all expenses incurred by the Company by reason of such non-payment.
- 11.2 **Contents of notice:** The notice shall specify a further date (not earlier than 14 days after the date of service of the notice) on or before which the payment is to be made, and shall state that, if payment is not made by the specified date, the Share in respect of which the call or instalment of a call is due, is liable to be forfeited.

- 11.3 **Forfeiture for non-payment:** If payment is not made by the date specified in the notice then, at any time thereafter before the payment required by the notice has been made, any Share in respect of which the notice has been given may be forfeited by a resolution of the Board to that effect. The forfeiture shall include all dividends declared in respect of the forfeited Share and not paid before the forfeiture.
- 11.4 **Notice of forfeiture:** When a Share has been forfeited, the Company shall give notice of the resolution to the Shareholder in whose name the Share stood immediately prior to the forfeiture, and shall enter in the Share Register details of the forfeiture.
- 11.5 **Cancellation of forfeiture:** A forfeiture may be cancelled at any time before the sale of the forfeited Share, on such terms as the Board thinks fit.
- 11.6 **Effect of forfeiture:** The holder of a Share which has been forfeited ceases to be a Shareholder in respect of the forfeited Share and shall surrender the share certificate (if any) for cancellation, but remains liable to the Company for all money payable in respect of the forfeited Share together with interest thereon until the Company receives payment in full for all moneys owing with respect to the forfeited Share.

## 12. LIEN ON SHARES

- 12.1 **Lien on Shares:** The Company has a first and paramount lien upon each Share, the proceeds of sale of the Share, and all Distributions made in respect of the Share, for:
- (a) all unpaid calls, instalments, or other amounts owing in respect of the Share and interest thereon (if any);
  - (b) any amount which the Company may be called upon to pay under any legislation in respect of the Share, whether or not the due date for payment thereof has arrived; and
  - (c) sales expenses owing to the Company in respect of any such Shares.
- 12.2 **Waiver of lien:** Unless otherwise agreed between the Company and the relevant Shareholder, the registration of a transfer of a Share shall operate as a waiver of any lien which the Company may have on that Share, except as provided in clause 13.2.

## 13. SALE OF SHARES SUBJECT TO FORFEITURE OR LIEN

- 13.1 **Company may sell Shares:** The Company may sell any forfeited Share, or any Share on which the Company has a lien, in such manner as the Board thinks fit, but the Company shall not sell any Share:
- (a) unless the amount in respect of which a lien exists is due and payable; and
  - (b) until the expiry of 14 days after written notice demanding payment of the amount has been given to the person entitled to receive notice of meetings of Shareholders in respect of the Share.
- 13.2 **Proceeds of sale:** The net proceeds (after deduction of any expenses) of the sale of a forfeited Share or of any Share sold for the purpose of enforcing a lien shall be applied in or towards satisfaction of any unpaid calls, interest or other amount in respect of which any lien exists (as the case may require). The residue, if any, shall be paid to the holder of the Share at the time of its forfeiture or, in the case of a Share sold for the purpose of enforcing a lien, the holder immediately prior to the sale or, if applicable in either case, to the Personal Representative of the holder. The remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively.

- 13.3 **Evidence:** A statutory declaration by a Director or any other person authorised by the Board that any power of sale has arisen and is exercisable by the Company under this Constitution, or that a Share has been forfeited on the date stated in the statutory declaration, shall be conclusive evidence of those facts.
- 13.4 **Sale procedure:** For giving effect to any sale after forfeiture of any Share or for enforcing a lien over any Share, the Board may authorise any person to execute a transfer of any Share to the purchaser. The purchaser shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, and the title of the purchaser shall not be affected by any irregularity or invalidity in relation to the sale. The remedy of any person having a cause of action in relation to the sale is in damages only and solely against the Company.
- 13.5 **Other Securities:** The provisions of sections 10, 11, 12 and 13 will apply to other Securities as if every reference in those sections to "Shares" was also a reference to "Securities".

#### 14. TRANSFER OF SHARES

- 14.1 **Right to transfer:** Subject to any restrictions contained in this Constitution, a Shareholder or Personal Representative may transfer any Share:
- (a) by an instrument of transfer which complies with this Constitution;
  - (b) under a system of transfer approved under section 7 of the Securities Transfer Act 1991 which is applicable to the Company; or
  - (c) under any other share transfer system which operates in relation to the trading of securities on any stock exchange outside New Zealand on which Shares are listed and which is applicable to the Company.
- 14.2 **Method of transfer:** A Share which is disposed of in a transaction which complies with the requirements of a system of transfer referred to in clause 14.1(b) or 14.1(c) may be transferred in accordance with the requirements of that system. Where an instrument of transfer would have complied with the provisions of the Securities Transfer Act 1991 if it had been executed by the transferor in New Zealand, it may nevertheless be registered by the Company if it is executed in a manner acceptable to the Company or the Share Registrar.
- 14.3 **Other forms of transfer:** An instrument of transfer of Shares to which the provisions of clause 14.2 are not applicable shall:
- (a) be in any common form or any other form approved by the Company or the Share Registrar;
  - (b) be signed or executed by or on behalf of the transferor;
  - (c) if registration as holder of the Share imposes a liability on the transferee, be signed or executed by or on behalf of the transferee.
- 14.4 **Delivery to Company:** An instrument transferring Shares must be delivered to the Company or to the Share Registrar, together with the Share certificate (if any) relating to those Shares, and the transferee shall provide such evidence as the Company or the Share Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Shares.
- 14.5 **Participation in share transfer systems:** The Company may participate in any share transfer system approved under the Securities Transfer Act 1991 or in any share transfer system which operates in relation to trading in securities on any stock exchange on which the Company's



Shares or other Securities are traded and, in so participating, it shall comply with the requirements of the relevant share transfer system. The Board may register any transfer of Securities presented for registration in accordance with the requirements of any such system and will not be obliged to enquire as to the due execution of any transfer effected by reason of such system.

- 14.6 **Board may refuse to register:** Subject to section 84 of the Act (which imposes certain procedural requirements on a board), the Board may refuse to register a transfer of any Share if:
- (a) the Company has a lien on the Share;
  - (b) in the case of a transfer by an instrument in writing, it is not accompanied by the relevant Share certificate (if any); or
  - (c) the transferor fails to produce such evidence as the Board reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Share.
- 14.7 **When transfer effective:** A transferor of a Share is deemed to remain the holder of the Share until the name of the transferee is entered in the Share Register in respect of the Share.
- 14.8 **Company to retain transfer:** If the Company registers an instrument of transfer it shall retain the instrument for a period of not less than seven years or such lesser period as may be required by law.
- 14.9 **Multiple registers:** The Share Register may, by resolution of the Board, be divided into two or more registers, which may be kept in different places, and may be kept by one or more Share Registrars.
- 14.10 **Where Shareholder cannot be located:** If the Company reasonably determines that a Shareholder no longer resides at, or cannot be contacted by posting to, the address supplied by that Shareholder to the Company (including by failure of that Shareholder to respond within two months to two or more requests to reply to the Company, whether before or after the date of adoption of this provision) then the Company may thereafter treat that Shareholder as "**Gone No Address**" or "**GNA**" and the following provisions will apply to that Shareholder and the Shares then registered in that Shareholder's name:
- (a) The Board may arrange for the transfer of the Shares registered in the name of the Shareholder to a wholly-owned subsidiary of the Company ("**TrustSub**").
  - (b) The GNA Shareholder shall be deemed to have authorised the Company to act on behalf of the GNA Shareholder in relation to the transfer of the relevant Shares, and to sign all necessary documents relating to such transfer.
  - (c) Trust Sub shall hold the relevant Shares on trust for the GNA Shareholder in accordance with the provisions of this clause.
  - (d) During the period that such Shares are held by Trust Sub, the provisions of clause 16.11 shall continue to apply to any dividend paid as if such Shares were registered in the name of the relevant GNA Shareholder but, except as provided by this clause, the GNA Shareholder will not be recognised otherwise as a Shareholder for the purposes of this Constitution.
  - (e) At any time while the relevant Shares are held by Trust Sub the GNA Shareholder may by notice to the Company establish his or her rights in relation to the Shares, notify the Company a current address for communications from the Company and request that the

Shares are re-transferred to the GNA Shareholder. On receipt of such request, the Company will register a transfer of the shares from Trust Sub to the GNA Shareholder.

- (f) If Shares transferred from a GNA Shareholder have been held on trust by Trust Sub for 3 years or more, Trust Sub may, but is not obliged to, sell those Shares, and thereafter the net proceeds of sale shall be held on the same trust for the GNA Shareholder (and be subject to the provisions of the Unclaimed Money Act 1971, as applicable).
- (g) The title of the purchaser of any Shares sold pursuant to this clause shall not be affected by any irregularity in the exercise or purported exercise of the power of sale specified in this clause and the receipt of Trust Sub shall be a good discharge to the purchaser for the purchase price.

14.11 **Securities other than Shares:** The provisions of this section 14 shall apply, with any necessary modifications, to Securities of the Company other than Shares except to the extent (if any) provided otherwise by the terms of issue of such Securities, by any applicable Listing Rules, or by law.

## 15. TRANSMISSION OF SHARES

15.1 **Transmission on death of Shareholder:** If a Shareholder dies, the survivor, if the deceased was a joint Shareholder, or the Personal Representative, shall be the only persons recognised by the Company as having any title to or interest in the Shares of the deceased Shareholder but nothing in this clause shall release the estate of a deceased joint Shareholder from any liability in respect of any Share or constitute a release of any lien which the Company may have in respect of any Share.

15.2 **Rights of Personal Representatives:** A Personal Representative of a Shareholder:

- (a) is entitled to exercise all rights (including without limitation the rights to receive Distributions, to attend meetings and to vote in person or by Representative), and is subject to all limitations, attached to the Shares held by that Shareholder; and
- (b) is entitled to be registered as holder of those Shares, but such registration shall not operate as a release of any rights (including any lien) to which the Company was entitled prior to registration of the Personal Representative pursuant to this sub-clause.

15.3 **Joint Personal Representatives:** Where a Share is subject to the control of two or more persons as Personal Representatives, they shall, for the purposes of this Constitution, be deemed to be joint holders of the Share.

15.4 **Other Securities:** The provisions of this section 15 will apply to other Securities as if every reference to "Shares" and "Shareholder" was also a reference respectively to "Securities" and "registered holder of Securities".

## 16. DISTRIBUTIONS

16.1 **Power to authorise:** The Board, if satisfied on reasonable grounds that the Company will immediately after the Distribution satisfy the solvency test may, subject to the Act and this Constitution, authorise Distributions by the Company at times, and of amounts, and to any Shareholders, as it thinks fit and may do everything which is necessary or expedient to give effect to any such Distribution.

16.2 **Form of Distribution:** Subject to the rights of holders of any Shares in a Class, the Board may make a Distribution in such form as it thinks fit but, except as provided in clause 16.3 or by the terms of any scheme then in operation by the Company for the issue of shares in lieu of a

Distribution as provided by clause 3.4, the Board shall not differentiate between Shareholders as to the form in which a Distribution is made without the prior approval of the Shareholders.

- 16.3 **Currency of payment:** The Board, if it thinks fit, may differentiate between Shareholders as to the currency in which any Distribution is to be paid. In exercising its discretion the Board may have regard to the registered address of a Shareholder, the register on which a Shareholder's Shares are registered and such other matters (if any) as the Board considers appropriate. If the Board determines to pay a Distribution in a currency other than New Zealand currency, the amount payable shall be converted from New Zealand currency in such manner, at such time, and at such exchange rate, as the Board thinks fit.
- 16.4 **Entitlement to dividends:** The Board shall not authorise a dividend:
- (a) in respect of some but not all the Shares in a Class; or
  - (b) that is of a greater value per Share in respect of some Shares of a Class than it is in respect of other Shares of that Class, unless the amount of the dividend in respect of a Share of that Class is in proportion to the amount paid to the Company in satisfaction of the liability of the Shareholder under this Constitution or under the terms of issue of the Share, but a Shareholder may waive that Shareholder's entitlement to receive a dividend or any part thereof by written notice to the Company signed by or on behalf of the Shareholder.
- 16.5 **Method of payment:** Any dividend or other money payable to a holder of Securities may be paid by cheque sent through the post to the registered address of the holder, by electronic means into a bank account nominated by the holder of the Securities or in any other manner determined by the Board and directed by the person entitled to the payment. In the case of joint holders, cheques may be sent to the registered address of the person first named on the register. The mailing of a cheque or electronic transfer of funds as aforesaid, unless the same is dishonoured by the paying bank on presentation, shall satisfy and discharge all liability for the dividends (or other amounts) for the sum represented thereby plus the amount of any tax, levy or duty which the Company was required to and did withhold.
- 16.6 **Non-receipt of Payment:** In the event of non-receipt of any cheque or electronic payment by the person to whom it is sent under clause 16.5, the Company shall issue to such person a replacement cheque or send again by electronic means, a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.
- 16.7 **Deductions:** The Board may deduct from dividends payable to any Shareholder in respect of any Shares any:
- (a) unpaid calls, instalments or other amounts, and any interest payable on such amounts, relating to the specific Shares in respect of which the Company has a lien; and
  - (b) amounts the Company may be called upon to pay under any legislation in respect of the specific Shares.
- 16.8 **Entitlement date:** Dividends and other distributions or payments to holders of Securities of the Company will be payable to the persons who are registered as holders of those Securities on an entitlement date fixed by the Board.
- 16.9 **No interest on Distributions:** The Company is not liable to pay interest in respect of any Distribution.

- 16.10 **Payment of small dividend amounts:** Where the net amount of a dividend payable to a Shareholder is less than such minimum amount as may be determined from time to time by the Board for the purposes of this clause, the Company may, with the prior approval of that Shareholder, defer payment of the dividend to that Shareholder until the earlier of:
- (a) such time as that Shareholder has an aggregate entitlement to net dividends of not less than such minimum amount; and
  - (b) the date upon which that Shareholder ceases to hold any Shares.
- 16.11 **Unclaimed Distributions:** Dividends or other monetary Distributions unclaimed for more than one year after having been authorised, may be used for the benefit of the Company until claimed. The Company shall be entitled to mingle the Distribution with other money of the Company and shall not be required to hold it or to regard it as having been impressed with any trust but, subject to compliance with the solvency test, shall pay the dividend or other monetary distribution to the person producing evidence of entitlement.
- 17. MEETINGS OF SHAREHOLDERS**
- 17.1 **Alternative forms of meeting:** A meeting of Shareholders may be held either:
- (a) by a number of Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
  - (b) if determined by the Board, by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can reasonably be expected to be able to hear each other simultaneously throughout the meeting.
- 17.2 **Powers exercisable by Ordinary Resolution:** Unless otherwise specified in the Act or this Constitution, a power or right of approval reserved to Shareholders may be exercised by an Ordinary Resolution.
- 17.3 **Meetings of other groups:** A meeting of the holders of Shares in an interest group may be called by the Board at any time, and shall be called on the written request of persons holding Shares carrying together not less an 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting of the group in question. All of the provisions of this Constitution relating to meeting of Shareholders generally apply, with all necessary modifications, to a meeting of an interest group of Shareholders.
- 17.4 **Annual meetings:** The Company shall hold an annual meeting in each calendar year, in addition to any other meetings in that year, not later than:
- (a) 6 months after the balance date of the Company; and
  - (b) 15 months after the previous annual meeting.
- 17.5 **Time and place of meeting:** Each meeting of Shareholders shall be held at such time and place (including any country other than New Zealand) as the Board appoints.
- 17.6 **Special meetings:** All meetings of Shareholders, other than annual meetings, shall be called special meetings.
- 17.7 **Calling of special meetings:** A special meeting:
- (a) may be called by the Board at any time;

- (b) shall be called by the Board on the written request of Shareholders holding Shares carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting.

## 18. NOTICE OF MEETINGS OF SHAREHOLDERS

18.1 **Written notice:** Written notice of the time and place of a meeting of Shareholders shall be sent to every Shareholder entitled to receive notice of the meeting and to every Director, and to the auditor of the Company, not less than 10 Working Days before the meeting, but with the consent of all Shareholders entitled to attend and vote at a meeting, it may be convened by such shorter notice and in such manner as those Shareholders agree. A proxy form must be sent with each notice of meeting.

18.2 **Contents of notice:** A notice of meeting shall state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it;
- (b) the text of any Special Resolution to be submitted to the meeting and shall be accompanied by sufficient explanation to enable a reasonable person to understand the effect of such resolution(s); and
- (c) that a Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the Shareholder and that a proxy need not be a Shareholder.

18.3 **Form of resolutions:** So far as reasonably practicable, the resolutions to be proposed at a meeting shall be framed in a way which facilitates the giving of two way voting instructions to proxies.

18.4 **Waiver of notice irregularity:** An irregularity in a notice of a meeting is waived if all the Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Shareholders agree to the waiver.

18.5 **Accidental omission of notice:** The accidental omission to give notice of a meeting to, or the non-receipt or late receipt of notice of a meeting by, any person entitled to receive notice, does not invalidate the proceedings at the meeting.

18.6 **Notice of adjourned meeting:** If a meeting of Shareholders is adjourned for less than 30 days it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned. In any other case, notice of the adjourned meeting shall be given in accordance with clause 18.1.

## 19. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

19.1 **Requirement for quorum:** Subject to clause 19.3, no business may be transacted at a meeting of Shareholders if a quorum is not present.

19.2 **Quorum:** Subject to clause 19.3, a quorum for a meeting of Shareholders is three Shareholders having the right to vote at the meeting present in person or by Representative.

19.3 **Lack of quorum:** If a quorum is not present within 30 minutes after the time appointed for the meeting:

- (a) in the case of a meeting called by the Board on the written request of Shareholders entitled to exercise that right, the meeting is dissolved;

- (b) in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Board may appoint, and, if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the Shareholders or their Representatives present will constitute a quorum.
- 19.4 **Regulation of procedure:** Subject to the provisions of the Act, and except as otherwise provided in this Constitution, the chairperson may regulate the procedure at meetings of Shareholders.
- 19.5 **Adjournment of meeting:** The chairperson may (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business may be transacted at an adjourned meeting other than the business left unfinished at the relevant meeting. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given in the same manner as the original meeting. Otherwise, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 19.6 **Dissolution of disorderly meeting:** If a meeting becomes so unruly, disorderly or inordinately protracted, that in the opinion of the chairperson the business of the meeting cannot be conducted in a proper and orderly manner, the chairperson, notwithstanding any provision to the contrary contained in this Constitution and without the consent of the meeting, may, in his or her sole and absolute discretion and without giving any reason therefor, either adjourn or dissolve the meeting.
- 19.7 **Completion of unfinished business if meeting dissolved:** If a meeting is dissolved by the chairperson pursuant to clause 19.6, the unfinished business of the meeting shall be dealt with as follows:
- (a) in respect of a resolution concerning the approval or authorisation of a Distribution, the Board may, in the exercise of the powers conferred on it by the Act or this Constitution, authorise such Distribution;
  - (b) in respect of a resolution concerning the remuneration of the auditors, the meeting shall be deemed to have resolved that the Board be authorised to fix the remuneration of the auditors; and
  - (c) the chairperson may direct that any item of business which is uncompleted at the meeting, and which in his or her opinion requires to be voted upon, be put to the vote by a poll without further discussion in accordance with clauses 23.4 to 23.7.
- 19.8 **Taking of a poll prior to dissolution:** If a meeting is dissolved by the chairperson pursuant to clause 19.6, the chairperson may, as part of that decision, direct that any other item of uncompleted business, which in his or her opinion requires to be voted upon, be put to the vote by a poll, in accordance with clause 23.4, without further discussion whereupon such poll shall be conducted immediately and the meeting deemed dissolved on conclusion of the taking of such poll.
- 20. CHAIRPERSON OF MEETINGS OF SHAREHOLDERS**
- 20.1 **Chairperson:** If the Directors have elected a chairperson of the Board, and he or she is present at a meeting of Shareholders, he or she shall chair the meeting, unless or except to the extent that the chairperson considers it not proper or desirable to act as chairperson, either in relation to the entire meeting or in relation to any particular business to be considered at the meeting.
- 20.2 **Directors may appoint chairperson:** If no chairperson of the Board has been elected or if, at any meeting of Shareholders, the chairperson of the Board is not present within 15 minutes after

the time appointed for the commencement of the meeting, or considers it not proper or desirable to act as chairperson, either in relation to the entire meeting or in relation to any particular business to be considered at the meeting, the Directors present may elect one of their number to chair the meeting or that part of the meeting which relates to the particular business, as the case may require.

- 20.3 **Shareholders may appoint chairperson:** If at any meeting of Shareholders no Director is willing to act as chairperson or no Director is present within 15 minutes after the time appointed for the commencement of the meeting, the Shareholders present may choose one of their number to chair the meeting.

## 21. VOTING AT MEETINGS OF SHAREHOLDERS

- 21.1 **Voting at meeting in one place:** In the case of a meeting of Shareholders held under clause 17.1(a), unless a poll is demanded in accordance with clause 23.1, the chairperson of the meeting shall determine whether voting will be by voice or by show of hands.
- 21.2 **Voting at audio/visual meeting:** In the case of a meeting of Shareholders held under clause 17.1(b), unless a poll is demanded in accordance with clause 23.1, voting at the meeting shall be by any method permitted by the chairperson of the meeting.
- 21.3 **Postal votes:** Unless the Board determines otherwise, Shareholders may not exercise the right to vote at a meeting by casting postal votes, whether on a show of hands, voice, vote or on a poll. If the Board determines that postal voting will be permitted at a meeting, the provisions of clause 7 of the first schedule to the Act (relating to postal votes) shall apply, with such modifications (if any) as the Board thinks fit.
- 21.4 **Entitlement to vote:** A Shareholder may exercise the right to vote either in person or by Representative.
- 21.5 **Number of votes:** Subject to clause 22.1 and to any rights or restrictions for the time being attached to any Share:
- (a) where voting is by show of hands or by voice every Shareholder present in person or by Representative has one vote;
  - (b) on a poll every Shareholder present in person or by Representative has:
    - (i) in respect of each fully paid Share held by that Shareholder, one vote; and
    - (ii) in respect of each Share held by that Shareholder which is not fully paid, a fraction of the vote or votes which would be exercisable if that Share were fully paid. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited and amounts paid in advance of a call).
- 21.6 **Vote of overseas protected persons:** A Shareholder who is not living in New Zealand, and who is of unsound mind or in respect of whom an order has been made by any court having appropriate jurisdiction, may vote in respect of any Shares held by that Shareholder, by his or her committee, manager, curator bonis, or other person of a similar nature appointed by that court, voting in person or by proxy.
- 21.7 **Declaration by chairperson:** A declaration by the chairperson of a meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 23.1.

21.8 **Joint Shareholders:** Where two or more persons are registered as joint Shareholders, the vote of the person named first in the Share Register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

## 22. RESTRICTIONS ON VOTING

22.1 **No vote when amount owing on Share:** A Shareholder is not entitled to vote at any meeting of Shareholders (other than at a meeting of an Interest Group) in respect of any Share if any amount is due and payable on that Share by the Shareholder to the Company.

## 23. POLLS

23.1 **Right to demand poll:** At a meeting of Shareholders a poll may be demanded by:

- (a) the chairperson; or
- (b) not less than five Shareholders having the right to vote at the meeting; or
- (c) a Shareholder or Shareholders representing not less than 10% of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders holding Shares that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10% of the total amount paid up on all Shares that confer that right.

For the purposes of this clause 23.1, the instrument appointing a proxy to vote at a meeting of the Company confers authority to demand or join in demanding a poll and a demand by a person as a proxy for a Shareholder has the same effect as a demand by the Shareholder.

23.2 **When poll may be demanded:** A poll may be demanded either before or immediately after the declaration by the chairperson of the result of the vote in respect of a resolution. The demand for a poll may be withdrawn.

23.3 **When poll taken:** A poll demanded on the election of a chairperson of a meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chairperson directs and any business, other than that upon which a poll is demanded, may proceed pending the taking of the poll.

23.4 **Poll procedure:** A poll shall be taken in such manner as the chairperson directs and the result of the poll is deemed to be a resolution of the meeting at which the poll is demanded.

23.5 **Votes:** On a poll:

- (a) votes may be given either personally or by Representative;
- (b) votes shall be counted according to the votes attached to the Shares of each Shareholder present in person or by Representative and voting in respect of those Shares;
- (c) a Shareholder need not cast all the votes to which the Shareholder is entitled and need not exercise in the same way all of the votes which the Shareholder casts.

23.6 **Scrutineers:** The chairperson of the meeting shall appoint the scrutineers for the purpose of any poll.

23.7 **Declaration of result:** The chairperson is entitled to declare the result of a poll upon receipt of a certificate from the scrutineers setting out the maximum number of votes that could be cast at the



meeting and stating that sufficient votes to determine the result of the resolution have been counted. The scrutineer's certificate may set out the maximum number of votes which could be cast at the meeting if all persons entitled to attend and vote at the meeting did so, or it may set out the maximum number of votes which could be cast at the meeting if all persons at the meeting (either in person or by Representative) who are entitled to vote did vote.

- 23.8 **Validity of votes:** In the case of any dispute as to the admission or rejection of a vote the chairperson shall determine the same and such determination made in good faith shall be conclusive.

## 24. PROXIES

- 24.1 **Right to appoint:** A Shareholder may appoint a proxy to vote on behalf of the Shareholder at a meeting of Shareholders. The proxy is entitled to attend and be heard at the meeting, and to demand or join in demanding a poll, as if the proxy were the Shareholder. A proxy need not be a Shareholder of the Company.
- 24.2 **Notice of appointment:** A proxy shall be appointed by written notice signed by the appointing Shareholder and the notice shall state whether the appointment is for a particular meeting or for a specified term not exceeding 12 months. The notice shall (so far as the subject matter and form of the resolutions to be proposed at the relevant meeting reasonably permit) provide for two way voting on all resolutions, enabling the appointor to instruct the proxy as to the casting of the vote.
- 24.3 **Proxy form to be sent with notice of meeting:** The Company shall send a form of notice of appointment of proxy to every Shareholder entitled to attend and vote at a meeting, with the notice convening the meeting.
- 24.4 **Production of notice:** No appointment of a proxy is effective in relation to a meeting unless a copy of the notice of appointment is received by the Company at its registered office, or by the Share Registrar at such address as is specified for that purpose in the form of notice of appointment or in the notice convening the meeting, not later than 48 hours before the start of the meeting. If the written notice appointing a proxy is signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must accompany the notice.
- 24.5 **Validity of proxy vote:** A vote given in accordance with the terms of a notice of appointment of a proxy is valid notwithstanding the previous death or mental disorder of the principal, or the revocation of the appointment or of the authority under which the notice of appointment was executed, or the transfer of the Share in respect of which the proxy is appointed, if no written notification of such death, mental disorder, revocation, or transfer is received by the Company at its registered office, or by the Share Registrar, before the commencement of the meeting or adjourned meeting for which the proxy is appointed.

## 25. CORPORATE REPRESENTATIVE

- 25.1 **Appointment of representative:** A corporation which is a Shareholder may appoint a person to attend a meeting of Shareholders on its behalf in the same manner as that in which it could appoint a proxy.

## 26. SHAREHOLDER PROPOSALS AND MANAGEMENT REVIEW

- 26.1 **Shareholder proposals:** A Shareholder may give written notice to the Board of a matter which the Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Shareholder is entitled to vote. The provisions of clause 9 of the first schedule to the Act apply to any notice given pursuant to this clause.

26.2 **Management review by Shareholders:** The chairperson of a meeting of Shareholders shall allow a reasonable opportunity for Shareholders at the meeting to question, discuss, or comment on the management of the Company. The Shareholders may pass a resolution relating to the management of the Company at that meeting but no such resolution is binding on the Board.

## 27. DIRECTORS

27.1 **Number of Directors:** The minimum number of Directors is three and the maximum number of Directors is fifteen.

27.2 **Appointment by Shareholders:** Subject to clause 27.1, a person may be appointed as a Director at any time by an Ordinary Resolution.

27.3 **Appointment by Board:** Subject to clause 27.1 and any applicable Listing Rules, the Board may at any time appoint a person to be a Director. A Director so appointed holds office only until the next annual meeting of the Company but is eligible for re-election at that meeting.

27.4 **Existing Directors to continue:** The persons holding office as Directors on the date of adoption of this Constitution continue in office and are deemed to have been appointed as Directors pursuant to this Constitution

27.5 **Restriction on appointment of several Directors by single resolution:** A single resolution for the appointment of two or more persons as Directors shall not be moved unless a separate resolution that it be so moved has first been passed by the meeting without any vote being cast against it but nothing in this clause prevents the election of two or more Directors by ballot or poll.

27.6 **Vacation of office:** A Director ceases to be a Director if he or she:

- (a) is removed from office by an Ordinary Resolution or pursuant to this Constitution or the Act; or
- (b) dies, or becomes mentally disordered or subject to a property order or personal order made under the Protection of Personal and Property Rights Act 1988 (or equivalent legislation in any jurisdiction other than New Zealand); or
- (c) resigns by written notice delivered to the Company at its address for service or at its registered office (such notice to be effective at the time when it is so received unless a later time is specified in the notice); or
- (d) becomes disqualified from being a Director pursuant to the Act; or
- (e) becomes bankrupt or makes an arrangement or composition with his or her creditors generally; or
- (f) has for more than six months been absent without approval of the Board from all meetings of the Board held during that period.

27.7 **No shareholder qualification for Directors:** There is no shareholding qualification for Directors.

27.8 **Timing of retirement and appointment:** If a:

- (a) Director retires at a meeting of Shareholders and is not re-elected, the Director shall remain in office until, and his or her retirement shall take effect at, the conclusion of the meeting;

- (b) Director is removed from office at a meeting of Shareholders by Ordinary Resolution, the Director shall remain in office until, and his or her removal shall take effect at, the conclusion of the meeting; or
- (c) person who is not already a Director is appointed or elected as a Director at a meeting of Shareholders, that person shall take office as a Director immediately after the conclusion of the meeting.

## 28. ALTERNATE DIRECTORS

28.1 **Power to appoint:** A Director may from time to time by written notice to the Company signed by the relevant Director appoint any person, who is not already a Director and who is approved by a majority of the other Directors, to be that Director's alternate. No Director may appoint a deputy or agent except by way of appointment of an Alternate Director under this section 28.

28.2 **Rights of Alternate Director:** Unless otherwise specified by the terms of his or her appointment, an Alternate Director:

- (a) is entitled, in the absence or unavailability of the Director who appointed him or her (the "**Appointor**"), to exercise the same rights, powers and privileges (other than the power to appoint an Alternate Director) as the Appointor;
- (b) when acting as an Alternate Director is subject to the same duties and obligations as the Appointor;
- (c) is not entitled to be given notice of a meeting of the Directors unless the Appointor has given written notice to the Company requesting that notice be given to the Alternate Director.

28.3 **Remuneration and expenses:** An Alternate Director is not entitled to any remuneration from the Company in his or her capacity as an Alternate Director but is entitled to be reimbursed by the Company for all expenses incurred in attending meetings of the Directors and in the discharge of his or her duties, to the same extent as if he or she were a Director.

28.4 **Cessation of appointment:** An Alternate Director ceases to be an Alternate Director:

- (a) if the Appointor ceases to be a Director, or revokes the appointment by written notice to the Company; or
- (b) on the occurrence of any event which would disqualify the Alternate Director if he or she were a Director; or
- (c) if a majority of the other Directors resolve to revoke the Alternate Director's appointment.

## 29. MANAGING DIRECTORS

29.1 **Appointment:** The Board may from time to time appoint one or more Directors to the office of Managing Director for such period, and on such terms, as the Board thinks fit and, subject to the terms of any agreement entered into in any particular case, may at any time revoke such appointment.

29.2 **Resignation:** A Managing Director is subject to the same provisions as regards resignation, removal, and disqualification as the other Directors, and if a Managing Director ceases to hold the office of Director from any cause he or she automatically ceases to be a Managing Director, but shall otherwise continue as an officer, employee, or otherwise as provided by any agreement in any particular case.

29.3 **Remuneration:** A Managing Director is entitled to receive such remuneration for his or her services as an employee (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Board may determine.

29.4 **No alternate:** The power to appoint alternate Directors conferred on the Directors by this Constitution does not confer on any Managing Director the power to appoint an alternate Managing Director.

### 30. REMUNERATION AND OTHER BENEFITS OF DIRECTORS

30.1 **Authorisation:** The Board may, subject to the requirements of any applicable Listing Rules, exercise the power conferred by section 161 of the Act to authorise remuneration and other benefits to and for Directors.

30.2 **Payment of expenses:** Directors are entitled to be paid for all travelling, accommodation and other expenses properly incurred by them in attending meetings of the Board, or any committee of the Board, or meetings of Shareholders, or in connection with the business of the Company.

30.3 **Special remuneration:** The Board may authorise the Company to pay special remuneration to any non-executive Director who is or has been engaged by the Company or any subsidiary of the Company to carry out work in any capacity other than that of Director.

### 31. INDEMNITY AND INSURANCE

31.1 **Indemnity of Directors:** Subject to clause 31.3, every Director shall be indemnified by the Company;

- (a) for any costs incurred by him or her in any proceeding that relates to liability for any act or omission in his or her capacity as a Director or a director of a subsidiary of the Company and in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- (b) in respect of liability to any person other than the Company or a related company for any act or omission by him or her in his or her capacity as a Director or a director of a subsidiary of the Company, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability;

and this indemnity shall continue in force, despite any subsequent revocation or amendment of this clause, in relation to any liability which arises out of any act or omission by a Director prior to the date of such revocation or amendment.

31.2 **Other indemnities:** Subject to clause 31.3, every director of a related company, or an employee of the Company or a related company shall be indemnified by the Company:

- (a) for any costs incurred by him or her in any proceeding that relates to liability for any act or omission by him or her in such capacity and in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- (b) in respect of liability to any person other than the Company or a related company for any act or omission by him or her in such capacity, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability.

31.3 **Exceptions:** An indemnity conferred by clause 31.1(b) or clause 31.2(b), shall not apply in respect of:

- (a) any criminal liability; or
- (b) in the case of an employee of the Company or a related company, any liability in respect of a breach of any fiduciary duty owed to the Company or related company; or
- (c) in the case of a Director or a director of a related company, any liability in respect of a breach of the duty specified in section 131 of the Act.

31.4 **Insurance:** The Company may, with the prior approval of the Board, effect insurance for a Director or employee of the Company or a director or employee of a related company, in respect of:

- (a) liability, not being criminal liability, for any act or omission by him or her in such capacity; or
- (b) costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability; or
- (c) costs incurred by him or her in defending any criminal proceedings that have been brought against him or her in relation to any act or omission in his or her capacity as such a director or employee, and in which he or she is acquitted.

31.5 **Definitions:** In this section 31:

- (a) "Director" includes a former Director and "director" includes a former director; and
- (b) other words given extended meanings in section 162(9) of the Act have those extended meanings.

## 32. POWERS OF DIRECTORS

32.1 **Management of Company:** The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board.

32.2 **Exercise of powers by Board:** The Board may exercise all the powers of the Company which are not required, either by the Act or this Constitution, to be exercised by the Shareholders.

32.3 **Delegation of powers:** The Board may delegate to a committee of Directors, a Director, an employee of the Company, or to any other person, any one or more of its powers, other than a power set out in the second schedule to the Act. Without limitation to the foregoing, the Board may appoint one or more persons as President, Chief Executive Officer, Vice-President, Secretary, Treasurer or Comptroller of the Company and delegate to such person(s) such functions as the Board may think fit.

32.4 **Appointment of attorney:** The Company may exercise the power conferred by section 181 of the Act to appoint a person as its attorney, either generally or in relation to a specified matter. Any such power of attorney may contain such provisions for the protection of persons dealing with the attorney as the Board thinks fit, and may also authorise any attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

32.5 **Ratification by Shareholders:** Subject to the provisions of section 177 of the Act (relating to ratification of directors' actions) the Shareholders, or any other person in whom a power is vested by this Constitution or the Act, may ratify the purported exercise of that power by a Director or the Board in the same manner as the power may be exercised. The purported exercise of a power that is ratified under this clause is deemed to be, and always to have been, a proper and valid exercise of that power.

### **33. INTERESTS OF DIRECTORS**

33.1 **Disclosure of Interests:** A Director shall comply with the provisions of section 140 of the Act (relating to disclosure of interest of directors) but failure to comply with that section does not affect the operation of clause 33.2.

33.2 **Personal Involvement of Directors:** Notwithstanding any rule of law or equity to the contrary, but subject to sections 107(3) and 141 of the Act (relating to avoidance of transactions in which a Director is interested) and section 199(2) of the Act (prohibiting a director from acting as auditor of a company), a Director may:

- (a) contract with the Company in any capacity;
- (b) be a party to any transaction with the Company;
- (c) have any direct or indirect personal involvement or interest in any transaction or arrangement to which the Company is a party or in which it is otherwise directly or indirectly interested or involved;
- (d) become a director or other officer of, or otherwise interested in, any corporation promoted by the Company or in which the Company may be directly or indirectly interested as a shareholder or otherwise; and
- (e) retain any remuneration, profit or benefits in relation to any of the foregoing, and no contract or arrangement of any kind referred to in this clause may be avoided by reason of a Director's interest.

33.3 **Interested Directors may not vote:** A Director who is interested in a transaction entered into, or to be entered into, by the Company:

- (a) may attend a meeting of the Board at which any matter relating to the transaction arises but shall not be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter relating to the transaction except as provided in clause 33.4;
- (b) may sign a document relating to the transaction on behalf of the Company, and may do any other thing in his or her capacity as a Director in relation to the transaction, as if the Director were not interested in the transaction.

33.4 **Exception to voting prohibition:** Notwithstanding the provisions of clause 33.3(a), a Director may be included among the Directors present at the meeting for the purposes of a quorum and vote in respect of a matter in which he or she is interested if that matter is one in respect of which, pursuant to an express provision of the Act, Directors are required to sign a certificate or one which relates to the grant of an indemnity pursuant to section 162 of the Act.

### **34. PROCEEDINGS OF BOARD**

34.1 **Third schedule of Act not to apply:** The provisions of the third schedule to the Act (relating to proceedings of a board) do not apply to the Company, except to the extent expressly incorporated in this Constitution.

34.2 **Alternative forms of meeting:** A meeting of the Board may be held either:

- (a) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

- (b) by means of audio, or audio and visual, communication by which all of the Directors participating and constitution a quorum can simultaneously hear each other, and communicate with each other, throughout the meeting.

Where two or more Directors participate from New Zealand in a meeting held in this way, the meeting shall be deemed to take place in New Zealand at the place agreed between such Directors. Where one Director participates from New Zealand in a meeting held in this way, the meeting shall be deemed to take place at the place from where that Director participates. Where no Director participates from New Zealand in a meeting held in this way, the meeting shall be deemed to take place at the place where the chairman of the meeting participates.

34.3 **Procedure:** Except as provided in this Constitution, the Board may regulate its own procedure.

34.4 **Notice of meeting:** The following provisions apply in relation to meetings of the Board (except where otherwise agreed by all Directors in relation to any particular meeting or meetings or as provided in clause 34.5 or clause 34.16):

- (a) Not less than two working days' notice of a meeting of the Board shall be sent to each Director in all circumstances, unless:
  - (i) the Director waives that right;
  - (ii) a shorter period of notice is required to enable the Board to comply with its obligations under any applicable Listing Rules; or
  - (iii) the issue which is to be the subject of the meeting is, in the reasonable opinion of a majority of the Directors, a matter of urgency, in which event such notice as is practicable in the circumstances shall be still sought to be given to each such Director.
- (b) Notice to a Director of a meeting of the Board may be:
  - (i) given to the Director in person by telephone or other oral communication;
  - (ii) delivered to the Director;
  - (iii) posted to the address given by the Director to the Company for such purpose;
  - (iv) sent by facsimile transmission to the facsimile telephone number given by the Director to the Company for such purpose; or
  - (v) sent by another form of communications equipment in accordance with any request made by the Director from time to time for such purpose.
- (c) A notice of meeting shall specify the date, time and place of the meeting (which may be held within or outside New Zealand) and, in the case of a meeting by means of conference telephone or by another form of communications equipment, the manner in which each Director may participate in the proceedings of the meeting.
- (d) A notice of meeting given to a Director pursuant to this clause is deemed to be given:
  - (i) in the case of oral communication, at the time of notification;
  - (ii) in the case of delivery, by handing the notice to the Director or by delivery of the notice to the address of the Director;

- (iii) in the case of posting, at the time of receipt which in the absence of proof to the contrary shall be considered to be five working days after it is posted;
- (iv) in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Director;
- (v) in the case of another form of communications equipment, at the time of transmission.

- 34.5 **Director may convene meeting:** Without limiting the provisions of clauses 34.3 or 34.4, a Director has the right at any time to convene a meeting of the Board, or to require a senior officer of the Company to convene a meeting of the Board, at the registered office of the Company or at the place where the meetings of the Board for the time being are customarily held, by giving not less than seven days' written notice signed by or on behalf of the Director to each of the other Directors stating the date, time and place of the meeting and the matters to be discussed.
- 34.6 **Waiver of notice irregularity:** An irregularity in the giving of notice of a meeting is waived if each of the Directors either attends the meeting without protest as to the irregularity or agrees (whether before, during, or after the meeting) to the waiver.
- 34.7 **Quorum:** Subject to clause 33.3, a quorum for a meeting of the Board may be fixed by the Directors from time to time, and unless so fixed shall be three Directors. No business may be transacted at a meeting of Directors if a quorum is not present.
- 34.8 **Lack of Quorum:** If a quorum is not present within 30 minutes after the time appointed for a meeting of the Board, the meeting will be adjourned automatically until the following day at the same time and place (and no notice of such adjourned meeting shall be required to be given). If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting the Directors present will constitute a quorum.
- 34.9 **Insufficient number of Directors:** The Directors may act notwithstanding any vacancy in their body, but if and so long as the number of Directors holding office is less than the minimum number fixed by clause 27.1, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or of summoning a meeting of the Shareholders.
- 34.10 **Election of chairperson:** The Directors may from time to time elect a chairperson and (if they think fit) a deputy chairperson, of their meetings, and determine the period for which they respectively are to hold office. The chairperson, or failing the chairperson the deputy chairperson (if any), shall preside at all meetings of the Directors but if no such chairperson or deputy chairperson is elected, or if at any meeting the chairperson or deputy chairperson is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.
- 34.11 **Voting:** Subject to clauses 33.3 and 33.4, every Director has one vote. The chairperson shall not have a second or casting vote. A resolution of the Board is passed if it is agreed to by all Directors present without dissent, or if a majority of the votes cast on it are in favour of the resolution. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he or she expressly dissents from or votes against, or expressly abstains from voting on, the resolution at the meeting.
- 34.12 **Written resolution:** A resolution in writing, signed or assented to by all of the Directors (other than a Director who has been granted a leave of absence and has not appointed an Alternate Director) entitled to vote on the resolution is as valid and effective as if passed at a meeting of the Board provided that the Directors signing or assenting to the resolution would constitute a quorum



and would have power to pass the resolution at a meeting of the Board. Any such resolution may consist of several documents (including facsimile or other similar means of communication) in similar form, each signed or assented to by one or more Directors. A copy of any such resolution shall be entered in the Records. The Company shall, within seven days after any resolution is passed in accordance with this clause, send a copy of the resolution to each Director who has not signed or assented to the resolution.

- 34.13 **Committees:** A committee of Directors shall, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Board. Subject to any such requirements, the provisions of this Constitution relating to proceedings of Directors apply, with appropriate modification, to meetings of a committee of Directors.
- 34.14 **Minutes:** The Board shall ensure that minutes are kept of all proceedings at meetings of the Shareholders and of the Board and its committees. Minutes which have been signed correct by the chairperson of the meeting are prima fade evidence of the proceedings.
- 34.15 **Validity of acts:** All acts done by any meeting of the Board or of a committee of Directors or by any person acting as a Director are valid notwithstanding:
- (a) any defect in the appointment of any Director or person acting as a Director;
  - (b) that they or any of them were disqualified; or
  - (c) any irregularity in a notice of meeting.
- 34.16 **Regular Meetings:** The Board may fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, but no other notice shall be required for such regular meeting(s) except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

## 35. METHOD OF CONTRACTING

- 35.1 **Manner of Execution:** A contract or other enforceable obligation may be entered into by the Company as follows:
- (a) an obligation which, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by:
    - (i) two or more Directors;
    - (ii) any Director or another person authorised by the Board, whose signature must be witnessed; or
    - (iii) one or more attorneys appointed by the Company in accordance with this constitution;
  - (b) an obligation which, if entered into by a natural person, is by law, required to be in writing, may be entered into on behalf of the Company in writing or orally by a person acting under the Company's express or implied authority;
  - (c) an obligation which, if entered into by a natural person, is not, by law, required to be in writing, may be entered into on behalf of the Company in writing or orally by a person acting on the Company's express or implied authority.

## 36. INSPECTION OF RECORDS

- 36.1 **Inspection by Directors:** Subject to section 191(2) of the Act (which relates to the power of a court to limit inspection), all accounting and other records of the Company shall be open to the inspection of any Director.
- 36.2 **Inspection by Shareholders:** No Shareholder who is not also a Director is entitled to inspect any accounting or other records of the Company except as expressly authorised by law or permitted by the Board. Subject to the provisions of section 216 of the Act (which permits inspection of certain records by Shareholders) the Board may from time to time determine whether, to what extent, at what times and places, and under what conditions, the accounting or other records of the Company or any of them are open to the inspection of Shareholders (who are not also Directors).

## 37. NOTICES

- 37.1 **Method of service:** All notices, reports, accounts and other documents required to be sent to a Shareholder, shall be sent in the manner provided in section 391 of the Act. Notices to any other person under this Constitution or the Act shall be sent in the same manner as if that person was a Shareholder.
- 37.2 **Service of notices overseas:** If the holder of a Share or other Security issued by the Company has no registered address within New Zealand and has not supplied to the Company an address within New Zealand for the giving of notices, but has supplied an address outside New Zealand, then notices shall be posted to that holder at such address by airmail or by courier and shall be deemed to have been received by that holder 48 hours after the time of posting.
- 37.3 **Accidental omissions:** The failure to send an annual report, notice, or other document to a Shareholder in accordance with the Act or this Constitution does not invalidate the proceedings at a meeting of Shareholders if the failure to do so was accidental.
- 37.4 **Joint Shareholders:** A notice may be given by the Company to the joint holders of a Share or other Security issued by the Company by giving the notice to the joint holder named first in the register in respect of that Share or other Security.
- 37.5 **Shareholder deceased or bankrupt:** If the holder of a Share or other Security issued by the Company dies or is adjudicated bankrupt, notice may be given in any manner in which notice might have been given if the death or bankruptcy had not occurred, or by giving notice in the manner provided in section 391 of the Act to the Personal Representative of the holder at the address supplied to the Company for that purpose.
- 37.6 **Waiver by Shareholders:** Without limitation to sections 209A and 209B of the Act, a Shareholder may from time to time, by written notice to the Company, waive the right to receive all or any documents from the Company and may at any time thereafter revoke the waiver in the same manner. While any waiver is in effect, the Company need not send to the Shareholder the documents to which the waiver relates.
- 37.7 **By electronic means:** Where a legal requirement under the Act is reproduced in this Constitution, the provision of the Constitution that reproduces that legal requirement may be met by using electronic means in accordance with the Electronic Transactions Act 2002 in the same manner as is required by the Electronic Transactions Act 2002 to meet that legal requirement under the Act. In this clause, "legal requirement" has the same meaning given to it by the Electronic Transactions Act 2002.

**38. LIQUIDATION**

- 38.1 **Distribution of surplus:** Subject to the rights of the holders of any Securities in the Company and to clauses 38.2 and 38.3, upon the liquidation of the Company the surplus assets of the Company (if any) must be distributed among the Shareholders in proportion to their shareholding. If any Shareholder's Shares are not fully paid up the liquidator of the Company may require those Shares to be fully paid up before the Shareholder receives any distribution of the surplus assets of the Company in respect of those Shares.
- 38.2 **Distribution in kind:** With the approval of the Shareholders of the Company by Ordinary Resolution, the liquidator of the Company may divide amongst the Shareholders in kind the whole or any part of the surplus assets of the Company (whether or not they are of the same kind) and for that purpose the liquidator may:
- (a) attribute values to assets as the liquidator considers appropriate; and
  - (b) determine how the division will be carried out as between the Shareholders or different Classes of Shareholders.
- 38.3 **Trusts:** With the approval of the Shareholders of the Company by Ordinary Resolution, the liquidator may vest the whole or any part of any surplus assets of the Company in trustees upon trust for the benefit of Shareholders of the Company. The liquidator may determine the terms of the trust.

## **SCHEDULE "C"**

### **DISSENT RIGHTS UNDER SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT**

#### **Right to dissent**

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

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

#### **Further right**

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

#### **If one class of shares**

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

#### **Payment for shares**

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

#### **No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

#### **Objection**

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

#### **Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been

adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

### **Demand for payment**

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

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

### **Share certificate**

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

### **Forfeiture**

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

### **Endorsing certificate**

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

### **Suspension of rights**

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

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

### **Offer to pay**

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

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

### **Same terms**

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

### **Payment**

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

### **Corporation may apply to court**

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

### **Shareholder application to court**

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

### **Venue**

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

### **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

### **Parties**

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

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

### **Powers of court**

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

### **Appraisers**

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

### **Final order**

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

### **Interest**

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

### **Notice that subsection (26) applies**

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

### **Effect where subsection (26) applies**

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

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

### **Limitation**

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

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

**SCHEDULE "D"**

**FORM OF OPTION AGREEMENT**

**STOCK OPTION AGREEMENT**

THIS AGREEMENT made as of the ● day of ●, 200●,

BETWEEN:

**BESRA GOLD INC.**, a corporation continued under the laws of the  
Canada Business Corporations Act, having an office at Suite 500 – 10  
King Street East, Toronto, Ontario M5C 1C3

(the "Corporation")

OF THE FIRST PART

AND:

●, of ●

(the "Optionee")

OF THE SECOND PART

WHEREAS the Optionee is a director, officer, consultant or employee of the Corporation;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of good and valuable consideration by the Optionee to the Corporation (the receipt of which is hereby acknowledged by the Corporation) it is agreed by and between the parties hereto as follows:

1. In this Agreement the term "Share" or "Shares" shall mean, as the case may be, one or more common voting shares without par value in the capital, as the same is constituted at the date of this Agreement, of the Corporation.
2. The Corporation hereby grants to the Optionee, subject to the terms and conditions hereinafter set out, an irrevocable option to purchase ● shares from the treasury of the Corporation (the "Option") at any time or from time to time up until the Option or this Agreement expires or otherwise ceases or terminates as hereinafter provided, common shares of the Corporation (the "Optioned Shares"), at the price of \$● per Optioned Share.
3. The Optionee shall, subject to the terms and conditions set out herein ●[and the vesting provisions provided in Schedule "A"], have the right to exercise the Option, on or before the close of business of the Corporation's office at the above address on ●, (such time and date being hereinafter called the "Expiry Time"), but at the Expiry Time the Option shall forthwith expire and terminate and be of no further force and effect whatsoever as to such of the Optioned Shares in respect of which such Option has not previously been exercised.
4. In the event of the death of the Optionee on or prior to the Expiry Time while still an executive of, or while in the employment of, the Corporation or a subsidiary of the Corporation, the Option may be exercised (as to such of the Optioned Shares in respect of which such option has not previously been exercised) by the legal personal representatives of the Optionee at any time up to and including (but not after) the earlier of:
  - (a) the Expiry Time; and



- (b) the time of the close of business of the Corporation's office at its address above on the date which is one year following the date of death of the Optionee;

provided that at the earlier of such times the Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Optioned Shares in respect of such Option has not previously been exercised.

- 5. In the event the Optionee is terminated for cause, removed from office or disqualified from being a director by law, the Option will terminate forthwith. In the event the Optionee ceases to be employed or retained by the Corporation or a subsidiary of the Corporation, as the case may be, otherwise than by reason of death or termination for cause, or if the Optionee ceases to be a director, officer, executive or employee other than by reason of death, removal or disqualification or if the Optionee is a consultant to the Corporation or a subsidiary but ceases to perform services as such prior to the Expiry Time, or in the event of the sale by the Corporation of all or substantially all the property and assets of the Corporation as an entirety (a "Sale") prior to the Expiry Time, the Option may be exercised, (as to such of the Optioned Shares in respect of which such Option ● [vested and] has not previously been exercised), by the Optionee at any time up to and including (but not after) the earlier of:

- (a) the Expiry Time;
- (b) the time of the close of business of the Corporation's office at its address above on the date which is ninety (90) days following the date of such resignation or discharge or cessation becoming effective; unless the Board, in its sole discretion, determines to amend the Option to provide for a longer period (however shareholder approval is required to be obtained should this cause the Option held by an Optionee who is an insider of the Corporation to be extended beyond its original expiry (the "Shareholder Approval Requirement");
- (c) the date provided for in any employment or consulting agreement between the Optionee and the Corporation or a subsidiary of the Corporation, subject to any Shareholder Approval Requirement; and
- (d) the time of the close of business of the Corporation's office at its address above on the date which is ten (10) days following the date of the completion of such Sale;

as the case may be, provided that in such earlier time the Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Optioned Shares in respect of which such Option has not previously been exercised.

- 6. Subject to the provisions of this Agreement, the Option shall be exercisable at any time or from time to time as aforesaid by the Optionee or his/her legal personal representatives delivering a notice in writing addressed to the Corporation at its principal office in the City of Toronto, Ontario which notice shall specify the number of Optioned Shares in respect of which this Option is then being exercised and which notice shall be accompanied by payment, by cash or certified cheque, in full, of the purchase price for the number of Optioned Shares specified therein, whereupon the Corporation shall forthwith cause the transfer agent and registrar of the Corporation to deliver to the Optionee or his legal personal representatives (or as the Optionee or his/her legal personal representatives may otherwise direct in the notice of exercise of option) within ten (10) days following receipt by the Corporation of any such notice of exercise of option a certificate or certificates, or as he/she or they may have otherwise directed, representing in the aggregate such number of Optioned Shares as the Optionee or his/her legal personal representatives shall have then paid for and as are specified in such notice in writing.

7. Nothing herein contained or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Optioned Shares except those Optioned Shares in respect of which the Optionee shall have exercised his Option to purchase hereunder in the manner hereinbefore provided.
8. In the event of any and all reorganizations of the capital stock of the Corporation at any time hereafter (but prior to any time at which the Option shall expire and terminate) which result in the subdivision, consolidation or redesignation of the shares of the Corporation, then this Option shall, upon the reorganizations becoming effective, be deemed to be varied to apply to the number and type of such reorganized shares as would have resulted from the conversion of the Optioned Shares in respect of which the option hereby granted has not then been exercised if such Optioned Shares had been issued and outstanding prior to and had been converted pursuant to all such reorganizations, and the purchase price upon any exercise thereafter of the Option for each reorganized share or part thereof into which an Optioned Share or part thereof would so have been converted shall be a proportionate part of the price which would have been paid for such Optioned Share upon such exercise if such reorganizations had not occurred.
9. The Optionee shall have no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Optioned Shares in respect of which the Optionee shall have exercised his Option to purchase hereunder and which the Optionee shall have actually taken up and paid for.
10. Time shall be of the essence of this Agreement.
11. This Agreement shall enure to the benefit of and be binding upon the Corporation, its successors and assigns, and the Optionee and his/her legal personal representatives to the extent hereinbefore limited, but this Agreement shall not be assignable by the Optionee or his/her legal personal representatives.
12. This Option is granted under and is subject to the Corporation's Stock Option Plan, the terms of which were approved by the Toronto Stock Exchange (the "TSX") subject to the approval by the Corporation's shareholders, which was received on June 7, 2007 and in the event of any discrepancy, the provisions of the Stock Option Plan will prevail.
13. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and which together shall constitute one and the same agreement.
14. By signing this Agreement the Optionee hereby provides his/her written consent to the disclosure of personal information by the Company to the TSX as defined in Schedule "B" attached hereto and to the collection, use and disclosure of personal information by the TSX for the purposes described in Schedule "B" attached hereto.

15. The Option is hereby granted to the Optionee in his/her capacity as a director, officer, consultant or employee of the Corporation.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto, as of the day and year first above written.

**BESRA GOLD INC.** )  
)  
)  
)  
)  
Per: \_\_\_\_\_ )  
Authorized Signatory )

EXECUTED AND DELIVERED by the )  
Optionee in the presence of: )  
)  
)  
\_\_\_\_\_)  
Name )  
)  
\_\_\_\_\_)  
Address )  
)  
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)  
\_\_\_\_\_)  
Occupation )

\_\_\_\_\_ ●

**SCHEDULE "A" TO STOCK OPTION AGREEMENT**  
**VESTING PROVISION**

[As determined by the Board of Directors from time to time]

**SCHEDULE "B" TO STOCK OPTION AGREEMENT  
ACKNOWLEDGEMENT – PERSONAL INFORMATION**

TSX Inc. and its affiliates, their authorized agents, subsidiaries and divisions, including Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as "the Exchange") collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.

## SCHEDULE "E"

### BOARD OF DIRECTORS MANDATE

#### 1. Introduction

The Board of Directors (the "Board") of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (the "Company") is elected by the Shareholders of the Company and is responsible for the overall supervision of the management of the business and affairs of the Company and for directing its strategic goals. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Under the *Canada Business Corporation Act*, the directors of the Company are required to manage, or supervise the management of, the Company's business and affairs and, in doing so, to act honestly 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.

#### 2. Board Composition

##### 2.1. Board Membership Criteria

The Corporate Governance and Nominating Committee is responsible for establishing the competencies and skills that the Board considers necessary for the Board as a whole to possess; the competencies and skills that the Board considers each existing director to possess; and the competencies and skills each new nominee will bring to the Board. The Nominating and Corporate Governance Committee identifies candidates for Board membership based on their character, integrity, judgment and record of achievement and any skills and talents they possess which would add to the Board's decision-making process and enhance the overall management of the business and affairs of the Corporation.

##### 2.2. Director Independence

The Board believes that, except during periods of temporary vacancies or when actively recruiting new nominees for the Board, the majority of its members should be independent.

In all cases, the determination of whether a director is independent must be made by the Board in accordance with applicable securities laws and stock exchange rules. Generally, an independent director means a director who has no direct or indirect material relationship with the Corporation. For these purposes, "material relationship" means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

In making a determination regarding a director's independence, the Board will consider all relevant facts and circumstances, including the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and such other criteria as the Board may determine from time to time.

The Board will review the independence of all directors on an annual basis and will disclose its determinations annually. To facilitate this review, directors will be asked to provide the Board with full information regarding their business and other relationships with the Corporation and its affiliates and with senior management and their affiliates. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

Where the Chairman is not independent, the independent directors will select one of their number to be appointed lead independent director for such term as may be determined. The independent director or

non-executive chairman, as the case may be, will chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

### **2.3. Board Size**

The Company's articles of incorporation provide for a minimum of three directors and a maximum of 15. At the annual general meeting of shareholders of the Company held on June 7, 2007, the shareholders fixed the number of directors of the Company at five. At the Company's 2012 annual general meeting, shareholders will be asked to fix the number of directors at four. The Board presently believes that this is an appropriate size conducive to effective decision-making and committee work. The Board will review the appropriateness of its size regularly and seek shareholder confirmation or approval, as the case may be, for any increase.

## **3. Board Meetings**

### **3.1. Meeting Particulars**

The Board holds regular quarterly meetings. Between the quarterly meetings, the Board meets on an *ad hoc* basis as required. The Board may also take action from time to time by unanimous written consent.

Board meetings are held at a location determined by the Chair. At least annually, the Board endeavours to hold a meeting on site at one of the Company's properties.

Each committee meets as often as it determines is necessary to fulfill its responsibilities provided that each committee meets at least twice per year except the audit committee which meets at least four times per year and the Independent Committee which meets as required. Committee meetings are held at a location determined by the committee chair.

Notice of the time and place of each meeting of the Board or any committee is provided as much in advance of the meeting as practicable, and in any event, not less than 48 hours before the time of the meeting. Board or committee meetings may be held at any time without notice if all of the directors or committee members have waived or are deemed to have waived notice of the meeting. A director participating in a Board or committee meeting is deemed to have waived notice of the meeting.

The Chair establishes the agenda for each Board meeting in consultation with the senior management. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting. The agenda and related materials for a Board meeting are provided to the directors as much in advance of the meeting as possible, and in any event, not less than three business days prior to the meeting.

Committee chairs establish the agenda for each committee meeting. Any committee member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any committee meeting raise subjects that are not on the agenda for the meeting.

### **3.2. Quorum and Approval**

Subject to applicable corporate legislation, a quorum for any Board meeting is a majority of directors. A quorum for any committee meeting is a majority of its members.

At Board or committee meetings, each director or member, as applicable, is entitled to one vote and questions are decided by a majority of votes. In case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **3.3. Procedural Matters**

Procedures for Board meetings are determined by the Chair unless otherwise determined by the by-laws of the Corporation or a resolution of the Board. Procedures for committee meetings are determined by the chair of the committee unless otherwise determined by the by-laws of the Corporation or a resolution of the committee or the Board.

The Corporate Secretary acts as secretary to the Board and each of its committees. In the absence of the General Counsel, or at the election of the Board or committee, as the case may be, the Board or a committee may appoint any other person to act as secretary.

The Corporate Secretary (or such other person as may be appointed) keeps minutes of the proceedings of the Board and each of its committees, and circulates copies of the minutes to each Board or committee member, as the case may be, on a timely basis.

### **4. Role and Responsibilities of the Board**

The fundamental responsibility of the Board is to supervise the management of the business and affairs of the Company with a view to creating sustainable value for all stakeholders. The Board discharges this responsibility by setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising the senior management in their implementation.

The Board will delegate responsibility for day-to-day management of the Company's business and affairs to the Company's senior management and will supervise such senior management appropriately.

The Board also may delegate certain matters it is responsible for to Board committees. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all delegated responsibilities.

In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- Reviewing and approving the Company's direction, strategic plans and financial objectives, adopting a strategic planning process and monitoring the Company's performance.
- Reviewing and approving the annual and quarterly capital and operating budgets, including any major deviations from such budgets, and monitoring the Company's performance against those budgets.
- Implementing and reviewing policies and procedures to identify the Company's principal business risks and confirming that appropriate systems are in place to mitigate these risks where it is prudent to do so.
- Oversight of the estimation of resources and reserves by management and the review of resource and reserve information before publication.
- Reviewing, considering and approving material investments, dispositions and joint ventures, and approving any other material transactions that are not in the ordinary course of business or are outside the scope of approved budgets.
- Oversight and approval of policies and procedures for ensuring the integrity and soundness of the Company's internal controls over financial reporting, disclosure controls and procedures and information systems.



- Oversight and approval of policies and procedures for ensuring the Company's compliance with applicable laws and regulations and for confirming the ethical behavior and integrity of the Company, senior management and employees and the Company's commitment towards corporate social responsibility.
- Oversight and approval of health, safety and environmental policies and ensuring implementation of systems to comply with these policies and all relevant laws and regulations.
- Reviewing and approving the Company's annual and quarterly financial statements and related management's discussion and analysis and all other disclosure documents required to be approved by the directors of a corporation under securities laws or regulations or the rules of any applicable stock exchange including management proxy circulars, take-over bid circulars, directors' circulars, prospectuses and annual reports.
- Determining the composition, structure, processes and characteristics of the Board, establishing a process for monitoring the Board, its committees and the directors on an ongoing basis and providing for an appropriate orientation for new directors and a continuing education program for all directors.
- Considering the recommendation of the Audit Committee and nominating the Company's external auditors for appointment by the shareholders of the Company.
- Confirming that the Company has appropriate structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities.
- Approving the issuance of any securities of the Company or the incurrence of any debt outside the ordinary course of business.
- Establishment of any dividend policy for the Company and the declaration of any dividends thereunder.
- Other corporate decisions required to be made by the Board, or as may be reserved by the Board to be made by it from time to time and not otherwise delegated to a committee of the Board or management of the Corporation.
- Appointing, and monitoring the performance of, senior management, formulating succession plans for senior management and, with the advice of the Compensation and Benefits Committee, approving the compensation of senior management.
- Approving the Company's incentive compensation plans (including the Company's stock option plan) and any grants thereunder.
- Calling meetings of shareholders and submission to the shareholders of any matter requiring their approval, including nominating the candidates for the Board to the shareholders based on the recommendations of the Corporate Governance and Nominating Committee.
- Reviewing, and proposing modifications as appropriate to, this Mandate and the charters or terms of reference for the Board's committees.

## **5. Committees of the Board**

The Board carries out its responsibilities directly and through the following committees and such other committees as it may establish from time to time: the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation and Benefits Committee).

In addition, the Board has an Independent Committee comprised of at least three independent members of the Board from time to time. The Board, on the recommendation of the Corporate Governance and Nominating Committee will appoint from time to time a Lead Independent Director who will also serve as the Chair of the Independent Committee.

Each committee has its own charter which sets out its responsibilities and duties, qualifications for membership and procedures for member selection and appointment. Each Committee's charter is reviewed on an annual basis by the Board or by the Corporate Governance and Nominating Committee.

## **6. Board Resources**

### **6.1. Access to Management and External Advisors**

Directors have direct access to members of management as required and are encouraged to raise any questions or concerns directly with management. The Board and its committees may invite any member of management, outside advisor or other person to attend any of their meetings. Similarly, Directors are expected to serve as a source of advice to senior management, based on the director's particular background and experience.

The Board and any of its committees may retain an outside advisor at the expense of the Corporation at any time and have the authority to determine the advisor's fees and other retention terms. Individual directors may retain an outside advisor at the expense of the Corporation with the approval of the Corporate Governance and Nominating Committee.

### **6.2. New Director Orientation**

New directors receive orientation materials describing the Corporation's business and its corporate governance policies and procedures. New directors also have meetings with the Chair, Chief Executive Officer and Chief Financial Officer. The Nominating and Corporate Governance Committee is responsible for confirming that procedures are in place and resources are made available to provide directors with appropriate continuing education opportunities.

## **7. Mandate Review**

This Mandate will be reviewed periodically by the Board of Directors of the Company and supplemented as required from time to time provided that such review will occur no less frequently than annually.

Dated: April 23, 2012

Approved by: Board of Directors

**SCHEDULE “F”**  
**AUDIT COMMITTEE CHARTER**

**1. Introduction**

The primary objective of the Audit Committee (the “Committee”) of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (the “Company”) is to act as a liaison between the Board and the Company’s independent external auditors (the “Auditors”) and to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) the Company’s financial reporting and disclosure requirements,
- (b) the Company’s compliance with legal and regulatory requirements,
- (c) external and internal audit processes and the qualification, independence and performance of the Auditors, and
- (d) the Company’s risk management and internal financial and accounting controls, and management information systems.

**2. Audit Committee Composition and Membership**

- (a) The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee. The Board may remove a member at any time and may fill any vacancy occurring on the Committee. A member may resign at any time and a member will automatically cease to be a member upon ceasing to be a director.
- (b) The Committee shall consist of at least three directors of the Company and shall satisfy all criteria for independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company. Notwithstanding the generality of the foregoing, each member will be free of any relationship which could, in the view of the board, reasonably interfere with the exercise of the member’s independent judgment.
- (c) The Committee may form subcommittees and delegate authority to any such subcommittee or any member, when appropriate.

**3. Audit Committee Meetings**

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but not less frequently than four times per year. Twenty-four hours advance notice of each meeting will be given to each member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the Auditors, the Executive Chairman, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Chair shall ensure that the agenda for each upcoming meeting of the Committee, together with any related briefing materials, is circulated to each member of the Committee as well as the other directors in advance of the meeting. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.
- (d) A majority of members will constitute a quorum for a meeting of the Committee. Each member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all members.
- (e) The Chair of the Committee, if present, will act as the chairman of meetings of the Committee. If the chairman is not present at a meeting of the Committee the members in attendance may select one of their number to act as chairman of the meeting.
- (f) At each meeting, the Committee will appoint a Secretary to keep minutes of the meeting. The Secretary does not need to be a member of the Committee.
- (g) The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s), other executive officers and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.
- (h) The Committee will, if deemed appropriate or necessary by the members, meet in camera without members of management in attendance for a portion of a meeting of the Committee.

#### **4. Duties and Responsibilities of the Committee**

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board. The Committee shall have the following responsibilities:

##### **4.1. Financial Reporting and Disclosure**

- (a) Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements (including the Auditors' report thereon), the interim financial statements and management's discussion and analysis and recommend same to the Board, where appropriate, for approval and dissemination in accordance with applicable laws and regulations.
- (b) Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures or press releases of a financial nature, any audit reports or letters and similar disclosure documents prior to the public disclosure of such information.
- (c) Discuss with management and the Auditors (including, if appropriate or necessary, in camera sessions where management is not present) major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles

with a view to gaining assurance that the Company's financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") or such other accounting standards used by the Company.

- (d) Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under IFRS or such other accounting standards used by the Company.
- (e) Ensure that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures and recommend any changes to the Board for consideration.
- (f) Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.

#### **4.2. Risk Management and Internal Controls**

- (a) Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.
- (b) Periodically review the adequacy and effectiveness of the Company's system of internal control and management information systems (including those of the Company's subsidiaries and joint ventures) through discussions with management and the Auditors to ensure that the Company maintains:
  - (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions;
  - (ii) effective internal control systems; and
  - (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud.

From time to time the Committee will assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of the Company at any particular time.

- (c) Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk including satisfying itself that management has established adequate procedures for the review of the disclosure of financial information extracted or derived directly from the Company's financial statements.
- (d) In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations.

- (e) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (f) Review the internal control reports prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting and the Auditors' attestation, and report, on the assessment made by management.
- (g) Review the appointment of the Chief Financial Officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

#### **4.3. External Audit**

- (a) Recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting.
- (b) Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the Auditors as well as the materiality, and general audit approach.
- (c) Ensure the Auditors report directly to the Committee on a regular basis;
- (d) Oversee on no less than an annual basis the performance of the Auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the Auditors' team and recommend to the Board the termination of the appointment of the Auditors, if and when advisable.
- (e) Maintain oversight of the work of the Auditors, including the review and resolution of any significant disagreements between management and the Auditors regarding financial reporting, any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and management's response to each.
- (f) Discuss with the Auditors the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
  - (i) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;
  - (ii) the management letter provided by the Auditors and the Company's response to that letter; and
  - (iii) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.
- (g) Review the reasons for any proposed change in the Auditors which is not initiated by the Committee or Board. When there is to be a change of the Auditors, review all issues related to the change, including any notices required under applicable securities law,

stock exchange or other regulatory requirements, and the planned steps for an orderly transition.

- (h) Take reasonable steps to confirm the independence of the Auditors, which include:
  - (i) ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
  - (ii) considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;
  - (iii) approving in advance any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensure independence of the Auditors, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and
  - (iv) as necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.
- (i) Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services.
- (j) Review annually a report from the Auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the Auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditors, and any steps taken to deal with any such issues;
- (k) Confirm the good standing of the Auditors with the Canadian Public Accountability Board (CPAB) and comparable bodies elsewhere to the extent required and disclose any sanctions or restrictions imposed by CPAB and such other comparable bodies and make any reasonable requests as to the qualifications of the Auditors.
- (l) Receive and consider all recommendations and explanations which the Auditors present to the Committee.

#### **4.4. Ongoing Reviews and Discussions with Management and Others**

- (a) Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
- (b) Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.

- (c) Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
- (d) Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

#### **4.5. Other Responsibilities**

- (a) Review and, where appropriate, recommend to the Board for approval, related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
- (b) Adopt and monitor and periodically review the Company's Whistleblower Policy and associated procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
  - (ii) the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (iii) any violations of any applicable law, rule or regulation that relates to financial reporting and disclosure.
- (c) Establish, review and approve policies for the hiring of employees or former employees of the Auditors or former Auditors.
- (d) Review its own performance annually, seeking input from management and the Board.
- (e) Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

#### **5. Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS (or such other accounting standards used by the Company) and other applicable requirements. There are the responsibilities of management and the Auditors.

The Committee, the Chair and any members identified as having accounting or related financial expertise are members of the Board appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities.

Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such



person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member who is identified as having accounting or related financial expertise, like the role of all members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

## **6. Reporting**

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board. The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

The Committee shall, if required by applicable securities legislation, annually review and approve the Committee's report for inclusion in the Company's management proxy circular.

## **7. Audit Committee Resources**

The Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee.

The Committee has the authority to conduct any investigation appropriate towards fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer, manager or employee of the Company or the Company's external advisors or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.

## **8. Charter Review**

This Charter will be reviewed periodically by the Committee and supplemented as required from time to time provided that such review will occur no less frequently than annually.

Dated: April 23, 2012

Approved by: Audit Committee

**SCHEDULE “G”**  
**COMPENSATION AND BENEFITS COMMITTEE CHARTER**

**1. Introduction**

The primary objective of the Compensation and Benefits Committee (the “Committee”) of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) the establishment and ongoing review of compensation policies including all incentive and equity based compensation policies,
- (b) the performance evaluation of the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the board of directors and all officers of the Company including approving awards under any incentive or equity based compensation plans, including the Company’s stock option plan, and
- (c) succession planning, including the appointment, training and evaluation of senior management.

**2. Compensation and Benefits Committee Composition and Membership**

- (a) The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee. The Board may remove a member at any time and may fill any vacancy occurring on the Committee. A member may resign at any time and a member will automatically cease to be a member upon ceasing to be a director.
- (b) The Committee shall consist of at least three directors of the Company and shall satisfy all criteria for independence expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company. Notwithstanding the generality of the foregoing, each member will be free of any relationship which could, in the view of the board, reasonably interfere with the exercise of the member’s independent judgment.
- (c) All members must have a working familiarity with compensation practices.
- (d) The Committee may form subcommittees and delegate authority to any such subcommittee or any member, when appropriate.

**3. Compensation and Benefits Committee Meetings**

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but not less frequently than two times per year. Twenty-four hours advance notice of each meeting will be given to each member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the Executive Chairman, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Chair shall ensure that the agenda for each upcoming meeting of the Committee, together with any related briefing materials, is circulated to each member of the Committee as well as the other directors in advance of the meeting. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.
- (d) A majority of members will constitute a quorum for a meeting of the Committee. Each member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all members.
- (e) The Chair of the Committee, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the members in attendance may select one of their number to act as chair of the meeting.
- (f) At each meeting, the Committee will appoint a Secretary to keep minutes of the meeting. The Secretary does not need to be a member of the Committee.
- (g) The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's executive officers shall attend any meeting when requested to do so by the Chair of the Committee.
- (h) The Committee will, if deemed appropriate or necessary by the members, meet in camera without members of management in attendance for a portion of a meeting of the Committee.

#### **4. Duties and Responsibilities of the Committee**

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board. The Committee shall have the following responsibilities:

- (a) Review and approve on an annual basis corporate goals and objectives relevant to the performance of the Executive Chairman ("EC") Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and evaluate the EC's, CEO's and CFO's performance in light of those goals and objectives.
- (b) Establish compensation policies for the directors and officers of the Company that:
  - a. properly reflect their respective duties and responsibilities;
  - b. are competitive in attracting, retaining and motivating people of the highest quality;
  - c. align the interests of the directors and officers with the Company's shareholders and other stakeholders;
  - d. are based on established corporate and individual performance objectives;
  - e. promote transparency and fairness in the determination of compensation; and

- f. are clearly distinguishable between each other, that is, the structure of non-executive directors compensation should be distinguishable from that of executive directors and other officers;
- (c) Review and make recommendations to the Board on an annual basis with respect to the adequacy and form of compensation and benefits of all directors and officers (including the EC, CEO and CFO to be determined with reference to the goals and objectives identified in (a)). A member of the Committee must not participate in any review or assessment of their own remuneration.
- (d) To the extent delegated by the Board to the Committee, administer and make recommendations to the Board with respect to the Company's stock option plan and any other incentive or equity-based compensation plans.
- (e) To the extent delegated by the Board to the Committee, determine or recommend the recipients of, and the nature and size of share compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements. In determining any such awards, the Committee will consider, among such other factors as it may deem relevant, the performance of the Company and its common shares, the value of similar incentive awards to similar officers at comparable companies and the awards given in past years.
- (f) Annually review the Company's succession plan for the EC, CEO and CFO and other officers or senior management, including appointment, training and evaluation.
- (g) Prepare and/or review any annual executive compensation disclosure or other report on compensation as may be required under applicable securities law, stock exchange and any other regulatory requirements.
- (h) Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties.
- (i) Review its own performance annually, seeking input from management and the Board.
- (j) Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

## **5. Reporting**

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Committee to the Board. The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the Board any issues that have arisen with respect to the Company's compensation arrangements or the Company's compliance with legal or regulatory requirements.

The Committee shall, if required by applicable securities legislation, annually review and approve the Committee's report for inclusion in the Company's management proxy circular.

## **6. Compensation and Benefits Committee Resources**

The Committee shall have the authority to retain independent legal, accounting and other consultants (including independent compensation consultants) to advise the Committee.

The Committee has the authority to conduct any investigation appropriate towards fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any

officer, manager or employee of the Company or the Company's external advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

#### **7. Charter Review**

This Charter will be reviewed periodically by the Committee and supplemented as required from time to time provided that such review will occur no less frequently than annually.

Dated: April 23, 2012

Approved by: Compensation and Benefits Committee

## **SCHEDULE “H”**

### **POSITION DESCRIPTION FOR EXECUTIVE CHAIRMAN**

The chair is the highest position of an organized group such as a board, committee, or deliberative assembly. The chair presides over meetings of the assembled group and conducts its business in an orderly fashion. When the group is not in session, the chair's duties often include acting as its head, its representative to the outside world and its spokesperson.

The executive chair also has executive roles

#### **Responsibilities**

##### ***Company***

- Responsible for leadership of the Company, articulating, developing and executing the strategy and vision necessary to drive and maximize the Company's progression up the value chain.
- Responsible for building and nurturing the Company into a mid-tier mining company and beyond.
- Ensuring a focus on action and outcomes – strategic positioning, growth Ensuring the Company capitalizes on growth opportunities while building on organic growth.
- Managing the development of the Company's asset portfolio within the objectives of the corporation.
- Developing and leading transactions which might include (i) the acquisition of additional reserves/exploration properties that are complementary and accretive to the Company's present reserves and (ii) the possible consolidation of like companies designed to provide for more economic operations.
- Creatively using diverse business models and partnerships to share risk and accelerate development.

##### ***External***

- Managing diverse shareholder and stakeholder relationships
- Interfacing with shareholders, the media, and for quarterly updates with interested parties regarding Company operations and financial results
- Ensuring the Company's strategic positioning amongst the mining community and the “street”.

##### ***Board***

- Providing support for Board meetings and liaising regularly with the Lead Independent Director, CEO, CFO and other senior management on management matters
- Leading and directing strategic planning both at board to adapt to and capitalize on changing market conditions

##### ***Finance***

Should the Company require additional financing, (I) developing and implementing financing plans designed to minimize dilution for present shareholders and maximize Company opportunities in the market and (II) leading the road shows required to complete the financing.

## **SCHEDULE "I"**

### **POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER**

The CEO will manage the Company's operations, including overseeing all aspects of exploration, development and exploitation activities, monitoring financials and setting budgets, recruiting key team members and building an effective strong team, creating company culture, ensuring compliance with governmental and safety regulations, interfacing with shareholders and investors, and handling public relations with parties impacted by the Company's operations.

The duties and responsibilities of the chief executive officer include:

- In conjunction with the Executive Chairman, responsible for leadership of the Company, overseeing and managing the various operating and technical functions inherent in the minerals exploration, extraction and processing industry.
- Recruiting, developing, retaining and overseeing senior team members capable of optimal exploration and exploitation of mining reserves. The CEO will recommend pay scales (including incentive provisions) for senior management staff to be approved by the Board of Directors.
- Developing a management and organization structure characterized by (i) clearly defined roles for all personnel and (ii) assigned responsibilities for all key functions, to ensure the efficient organization of resources.
- Establishing corporate policies that set the tone at which the Company conducts its activities, striving for both the highest integrity and professional standards.
- Developing policies and procedures to assure the safety and protection of Company employees, and establishing a monitoring system designed to ascertain the system's effectiveness.
- Possessing sufficient knowledge of the relevant governments' laws, rules and regulations that govern the acquisition, exploration, development and exploitation of mineral properties into economic mining operations, including the various environmental and operating permits required in Vietnam, Malaysia and the Philippines.
- Developing detailed budgets, including capital allocation, for the Company for approval by the Board of Directors. Assuring that the Company's accounting system measures actual performance compared to such budget and undertaking analysis of deltas.
- Assisting the Executive Chairman in transactions which might include (i) the acquisition of additional reserves/exploration properties that are complementary and accretive to the Company's present reserves and (ii) the possible consolidation of like companies designed to provide for more economic operations.
- Should the Company require additional financing, and in conjunction with the Executive Chairman, (i) developing and implementing financing plans designed to minimize dilution for present shareholders and maximize Company opportunities in the market and (ii) leading the road shows required to complete the financing.
- Meeting as required with shareholders, the media, and with interested parties regarding Company operations and financial results

The duties and responsibilities listed above are representative of the nature and level of work assigned and are not necessarily all inclusive.

## **BESRA GOLD INC.**

### **CORPORATE DATA**

#### **Registered Office**

Suite 500 – 10 King Street East  
Toronto, ON M5C 1C3

#### **Directors and Officers**

David A. Seton – Executive Chairman & Director  
Kevin M. Tomlinson – Deputy Chairman & Director  
N. Jon Morda – Director  
Leslie G. Robinson – Director  
John A.G. Seton – Chief Executive Officer  
S. Jane Bell – Chief Financial Officer  
Darin Lee – Chief Operating Officer  
Paul Seton – Chief Commercial Officer  
Jeffrey Klam – General Counsel & Corporate Secretary

#### **Registrar and Transfer Agent**

Computershare Investor Services Inc.  
9<sup>th</sup> Floor, 100 University Avenue  
Toronto, ON M5J 2Y1

#### **Auditor**

Ernst & Young LLP  
Ernst & Young Tower, TD Centre  
222 Bay Street  
Toronto, ON M5K 1J7

#### **Markets**

Toronto Stock Exchange - Symbol: "BEZ"  
Australian Securities Exchange – Symbol: "BEZ"  
OTCQX (US) - Symbol: "BSRAF"  
Frankfurt Stock Exchange - Symbol: "OP6"