

VENTANA GOLD CORP.
400 – 837 West Hastings Street
Vancouver, British Columbia
V6C 3N6

INFORMATION CIRCULAR

(Information as at September 16, 2010 except as otherwise indicated)

PERSONS MAKING THE SOLICITATION

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies being made by the management of Ventana Gold Corp. (the “Company”) for use at the Annual General and Special Meeting (the “Meeting”) of the Company’s shareholders to be held on Thursday, October 21, 2010 at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”). While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

All costs of this solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

The individuals named as proxyholders in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company or both. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER VALID PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof.

NON-REGISTERED HOLDERS

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 common 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 complete a Proxy or vote at the Meeting in person. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common 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 CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their 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.

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 common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of Proxy provided by the Company to 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 service companies such as Broadridge. Broadridge typically prepares a 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 common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This 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 provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“**NI 54-101**”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. 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 common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

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 common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names as proxyholder in any Proxy provided to them by the registered shareholder or**

otherwise contact their broker (or the broker's agent) in order to be named as proxyholder for the registered shareholder.

All references to shareholders in this Circular, the accompanying Proxy and Notice of Annual Meeting of Shareholders are to registered shareholders of record unless specifically stated otherwise.

REVOCABILITY OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if 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 #2610, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement of it, or to the chair of the Meeting on the day of the Meeting or any adjournment or postponement of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The shares represented by a properly executed Proxy in favour of persons designated as proxyholders in the enclosed Proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; 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.

If, however, direction is not made in respect of any matter, the Proxy will be voted as recommended by management of the Company.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of the 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, the persons designated by management as proxyholders in the enclosed Proxy will have the discretion to vote in accordance with their judgment on such matters or business. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The directors of the Company have set September 16, 2010 as the record date (the "**Record Date**") for determining which shareholders shall be entitled to receive notice of, and to vote at, the Meeting.

As at the Record Date, there were a total of 102,003,763 common shares outstanding. Each common share entitles the shareholder(s) thereof to one vote for each common share shown as registered in the shareholders' name on the Record Date. Only shareholders of record holding common shares at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their common shares voted at the Meeting.

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 valid 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 valid Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each share registered in that shareholder's 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 executive officers of the Company, as at September 16, 2010, the following shareholders of the Company 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:

Name	Number of Shares Beneficially Owned	Percentage of Issued Shares
63X Master Fund ⁽¹⁾	19,306,000	18.92%

⁽¹⁾ Information as provided on System for Electronic Disclosure by Insiders (SEDI).

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 at the Meeting except with respect to the payment of fees, either in the form of common shares or cash, to Ross Beaty and Augusta Capital Corporation pursuant to the Loans as described in "Particulars of Matters to be Acted Upon – Loan Fees".

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

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

There are presently six directors of the Company. The shareholders will be asked to consider fixing the number of directors of the Company at six and the six persons named below be nominated for election as directors of the Company.

The following table sets out the names of the nominees for election as directors, the length of time they have served as directors of the Company the country in which they are ordinarily resident, the offices they hold within the Company, their principal occupations, business or employment of each proposed director within the preceding 5 years, the date he was first appointed a director of the Company and the number of common shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each at the Record Date.

Name, Province and Country of Residence	Date First Appointed as Director	Position Held with the Company and Present and Principal Occupation During the Past Five Years ⁽¹⁾	Number of common shares beneficially owned or over which control or direction is exercised ⁽¹⁾
R. Stuart Angus ⁽²⁾ British Columbia, Canada	Director since December 7, 2006	Director of the Company; Independent Consultant to the mining industry from December 2005 to present; Managing Director, Mergers and Acquisitions for Endeavour Financial Corporation between 2003 to December 2005.	624,300 ⁽³⁾
Stephen A. Orr British Columbia, Canada	Director since September 25, 2009	President, Chief Executive Officer and Director of the Company; Director Goldquest Mining Corp. since July 2010; Director of OceanaGold Corporation from August 2004 to June 2009; Chief Executive Officer of OceanaGold Corporation from July 2004 to June 2009; Vice President of North American Operations and Managing Director of Australia and Africa for Barrick Gold Corporation from 2003 through 2004.	Nil
Robert Pirooz British Columbia, Canada	Director since June 3, 2009	Director of the Company; General Counsel for Pan American Silver Corp. since 1998 and Director since April 30, 2007; previously Corporate Secretary for Pan American between 1998 and 2010.	Nil
Randy V.J. Smallwood ⁽²⁾ British Columbia, Canada	Director since November 20, 2008	Director of the Company; President of Silver Wheaton Corp. since January 1, 2010; formerly Executive Vice President, Corporate Development for Silver Wheaton from February, 2007; Director of Project Development for Wheaton River Minerals Ltd. and subsequently Goldcorp Inc. from 2002 to 2007, and Silver Wheaton Corp. from its formation in 2004 to 2007; Silver Wheaton is a precious metals streaming company. Also a Director of Geologix Explorations Inc. since May 2005, and Canaco Resources Inc. since July 2005.	70,000

Name, Province and Country of Residence	Date First Appointed as Director	Position Held with the Company and Present and Principal Occupation During the Past Five Years ⁽¹⁾	Number of common shares beneficially owned or over which control or direction is exercised ⁽¹⁾
Michael Steeves ⁽²⁾ British Columbia, Canada	Director since May 5, 2006	Director of the Company; Director of Augusta Resource Corporation since June 1999; Director of Forum Uranium Corp. since August 2007; Director of Zazu Metals Corporation since April 2006, previously President and Chief Operating Officer of Zazu Metals from April 2006 to August 2009; previously Director of Wildcat Silver Corporation from May 2006 to July 2008; Director of Sargold Resource Corp. from June 2005 to October 2007; Consultant to the base metal industry between August 2005 to November 2007; Vice President, Investor Relations of Glamis Gold Ltd. between June 2002 and August 2005.	Nil
Richard W. Warke British Columbia, Canada	Director since July 24, 2008	Chairman and Director of the Company; Executive Chairman of Augusta Resource Corporation since July 2008, and Chairman between April 2005 to July 2008, VP Corporate Development between May 2006 to July 2008 and President between April 1999 to April 2005; Chairman of Wildcat Silver Corporation since July 2008; CEO and Chairman of Sargold Resource Corporation between May 1998 to October 2007 and President between May 1998 to December 2006 and May 2007 to October 2007; CEO of Ventana from July 2008 to August 2009; Augusta.	7,269,052 ⁽⁴⁾

- (1) Information as provided by the directors of the Company.
- (2) Member of the Company's Audit Committee.
- (3) Of these shares, 235,000 common shares are held indirectly by Diamond Hill Investment Corp., a private company held 75% by R. Stuart Angus, and the balance of which are held directly by Mr. Angus.
- (4) Of these shares, 5,269,052 common shares are held indirectly by Augusta Capital Corporation, a company 100% beneficially owned by Richard Warke; 150,000 common shares are shares in respect of which he has control or direction over, and the balance of which are held directly by Mr. Warke.

The members of the Company's audit committee are Michael Steeves, R. Stuart Angus and Randy Smallwood. Each member of the Audit Committee is considered to be an independent member in accordance with National Instrument 52-110 – *Audit Committees* (“NI 52-110”). All members of the Audit Committee of the Company are financially literate in accordance with NI 52-110.

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, no proposed director for election is, as at the date of this Circular, or within the 10 years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being 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
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Cybercom Systems Inc. (“**Cybercom**”) was issued a cease trade order on October 23, 2002 due to failure to file comparative annual financial statements and quarterly report for the period ended January 31, 2002. Cybercom’s failure to file the above resulted from its inability to pay filing fees associated with such filing due to a lack of funding. Cybercom is currently inactive and remains under cease trade order. Richard Warke, Chairman of the Company, was a director of Cybercom at the time the order was issued.

Wildcat Silver Corporation (“**Wildcat**”) received notice from the British Columbia Securities Commission of the issuance of a management cease trade order (the “**MCTO**”) on October 30, 2007 in connection with the late filing of its annual audited consolidated financial statements for the fiscal year ending June 30, 2007. Wildcat’s failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008. R. Stuart Angus and Michael Steeves, directors of the Company, are and were directors of Wildcat at the time the order was issued.

Robert Pirooz, a director of the Company, was formerly a director of Pacific Ballet British Columbia Society (the “**Ballet**”). On December 23, 2008, within a year following Mr. Pirooz’s resignation from the board of directors of the Ballet, the Ballet filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*. Subsequently, on January 9, 2009, the proposal was unanimously accepted by the creditors of the Ballet.

Individual Bankruptcies

No proposed director for election has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director for election 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 that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITORS

At the Meeting, shareholders will be asked to re-elect PriceWaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company and to authorize the directors to fix their remuneration. PriceWaterhouseCoopers LLP were first appointed auditors of the Company on November 24, 2009.

LOAN FEES

On May 7, 2010, the Company announced a US\$20 million debt financing from related parties of the Company (the “**Loans**”). The proceeds were used to partially fund the acquisition of mineral rights and other assets on both the La Bodega and La Baja properties and to terminate the arbitration between Sociedad Minera La Bodega Limitada and the Company’s wholly owned subsidiary, CVS Explorations Ltda (the “**Acquisition and Settlement**”). Ross Beaty, who holds a controlling interest in Lumina Capital Limited Partnership, which at the time held approximately 9.4% of the issued and outstanding common shares of the Company has provided US\$10 million of the Loans. The balance of the Loans was advanced by a company 100% owned by the Company’s Chairman, Richard Warke. The Loans are due by no later than December 31, 2010, bear interest at 12% per annum compounded monthly, and are each subject to a standby fee of 30,000 common shares of the Company and a drawdown fee payable of 80,000 common shares of the Company (collectively, the “**Fees**”), for a total of 220,000 common shares, representing 0.21% of the issued and outstanding share capital as at the date of this Information Circular. These Fees may also be satisfied in cash, at the option of the Company, by paying CAD\$1,149,500 to each of the lenders, which amount was based on a price per share of \$10.45 which was the volume weighted average trading price of the shares on the TSX for the five trading days ending on May 7, 2010. As at such date, this amount represents approximately 11% of the value of the Loans.

Pursuant to the terms of the Loans, proceeds of the private placement of units with Silver Wheaton Corp. completed by the Company on June 8, 2010 for \$20.7 million, net of reasonable selling or financing costs, are to be used to repay the Loans, in whole or in part. Although the lenders under the Loans have waived this repayment obligation, the Company may, in its discretion, use all or part of the proceeds of the Private Placement to prepay the Loans, interest due thereon and the Fees (if paid in cash), such Fees subject to reduction in accordance with the terms of the Loans. To the date of this Circular, no part of the Loans has been repaid.

The TSX in its discretion has required receipt of the approval of shareholders of the Company to the payment of the Fees.

Reaching agreement on the Acquisition and Settlement was critical for the Company and the Loans were critical to achieving this result in a timely manner. The terms of the Loans, including the Fees, were approved by the Board of the Company (excluding interested directors), based upon, among other things, a favorable recommendation of a Special Committee of independent directors.

In order to satisfy the requirements of the TSX, shareholders will be asked at the Meeting to consider and, if considered advisable, to adopt the following ordinary resolution to approve the Fees described above.

“RESOLVED THAT:

- (1) The Fees, equal to 110,000 common shares of the Company, payable to each of the lenders of the Loans (for an aggregate of 220,000 common shares payable to the lenders), which Fees may be satisfied, at the Company’s option, by paying CAD\$1,149,500 in cash to each of the lenders of the Loans (for an aggregate of CAD\$2,299,000 payable to the lenders), on substantially the terms as described in the Information Circular is hereby approved;
- (2) any officer or director of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver or file such documents and instruments and to do all such other acts and things as are required or as such person, in such person’s sole discretion, may deem necessary to give full effect to or carry out the provisions of the above resolutions.”

The Board of Directors of the Company recommends that shareholders vote FOR the foregoing resolutions, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the shareholders appointing them.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following information describes and explains the significant elements of compensation awarded to, earned by, paid to, or payable to the Company’s Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and to the three most highly compensated executive officers, other than the CEO and CFO who were serving as executive officers at the end of the most recent fiscal year (the “**Named Executive Officer(s)**” or “**NEO(s)**”), excluding any executive officer whose total salary does not exceed CAD\$150,000. During the fiscal year ended June 30, 2010, the Company’s NEOs were: Richard W. Warke (Chairman), Stephen A. Orr (President and CEO), Paul Ireland (CFO since December 7, 2009), Susan Rubin (CFO from July 24, 2008 to December 7, 2009), Jon Lehmann (Vice President Exploration) and (David) Blair Way (Vice President Project Development since February 1, 2010).

The Chairman and CEO are responsible for reviewing and recommending compensation arrangements for the Company’s NEOs including any short and long term incentive programs.

The compensation for the Company’s executive officers is comprised of base salary, a discretionary bonus in accordance with their respective employment agreements, and a long term incentive program (comprised of stock options). When reviewing compensation arrangements of the company’s executives, the Board considers fairness to the shareholders and investors of the Company, market competitiveness and recognizing and rewarding performance, individually and collectively in relation to the Company’s success.

Base Salary and Bonuses

To ensure that the Company will continue to attract and retain qualified and experienced executives, base salaries are reviewed and adjusted annually, if necessary, in order to ensure that they remain at a level at or above the median for comparable companies. The Company does not have a formal short term incentive program in place but may grant a bonus to its executives based on their performance consistent with the success of the Company's business. The bonus is intended to motivate and reward executives for short term goals and contribution to the business during the past year.

Long Term Incentive Compensation

Stock Options - The Option Plan

The Company's long term incentive plan is currently comprised of incentive stock options. The Board may from time to time grant stock options to the directors, senior officers, employees and consultants of the Company pursuant to the Company's stock option plan dated November 10, 2008 (the "**Option Plan**"). The purpose of the Plan is to provide an incentive to the Company's directors, senior officers, employees and consultants to continue their involvement with the Company, to increase their efforts on the Company's behalf and to attract qualified new directors, senior officers and employees. The Option Plan was approved by the shareholders of the Company at the Company's annual meeting held on November 24, 2009. The Option Plan is "rolling" such that the number of securities granted under the Option Plan can be up to a maximum of 10% of the issued common shares of the Company at the time of the grant on a non-diluted basis, and such aggregate number of common shares shall increase or decrease as the number of issued and outstanding common shares changes. As at the date hereof, there are 7,564,500 stock options to purchase 7,564,000 common shares (representing 7.42% of the issued and outstanding common shares of the Company) reserved under the Option Plan leaving an aggregate of 2,635,000 common shares (representing 2.58% of the issued and outstanding common shares of the Company) available for future grants pursuant to the option plan.

The following is a brief description of the Plan and is qualified in its entirety by the full text of the Option Plan, a copy of which is available upon request from the Company at Suite 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

1. Pursuant to the Option Plan, the Board may from time to time authorize the issue of Options to directors, officers and employees of, and consultants to, the Company and its subsidiaries or employees of companies providing management, consulting or investor relations services to the Company or its subsidiaries.
2. The maximum number of common shares that may be issued upon the exercise of Options granted under the Option Plan will not exceed 10% of the issued and outstanding common shares of the Company at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, must not be lower than the closing price of the Company's common shares traded through the facilities of the TSX or any other stock exchange or quotation system on which the common shares of the Company are listed or quoted for trading, as applicable on the day preceding the date the Option is granted, or such other price as may be required by the TSX.

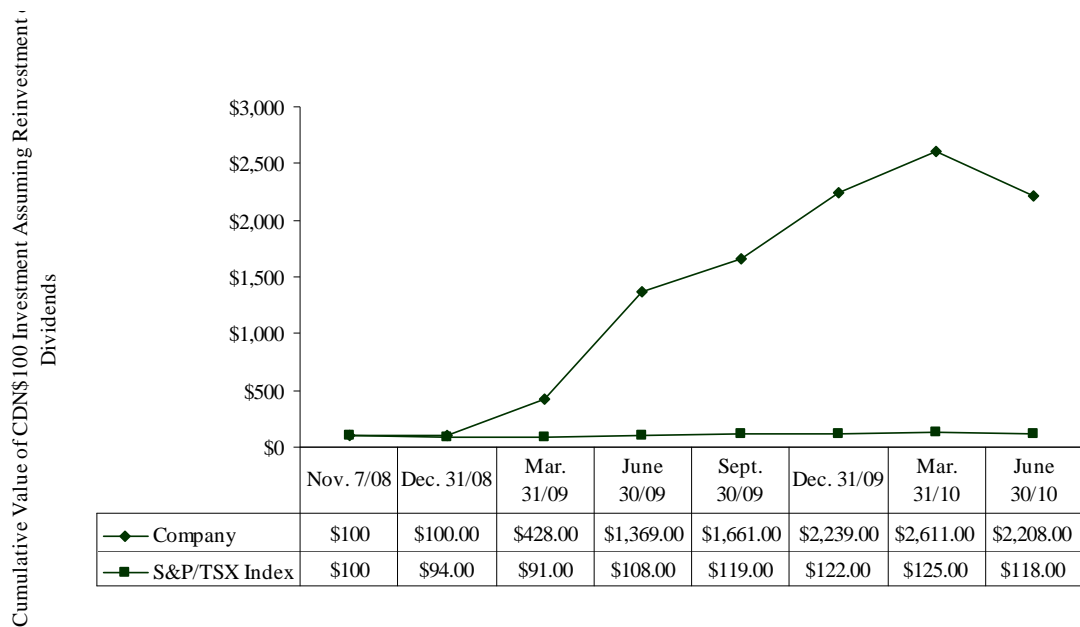
3. The aggregate number of common shares reserved for issuance pursuant to the Option Plan or any other share compensation arrangement (pre-existing or otherwise) to insiders will not exceed 10% of the common shares outstanding.
4. The aggregate number of common shares issued and Options granted pursuant to the Option Plan or any other share compensation arrangement (pre-existing or otherwise) to insiders within any one-year period shall not exceed 10% of the common shares outstanding.
5. Options will be subject to vesting requirements, at the discretion of the Board. The Option Plan provides that if a change of control, as defined therein, occurs, the Board, in its sole discretion, may determine that all common shares subject to Options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder (the “**Option Holder**”).
6. Upon the exercise or expiry of an Option, or in the event an Option is otherwise terminated for any reason, the number of common shares in respect of the exercised, expired or terminated Option shall again be available for the purposes of the Option Plan. All Options granted under the Option Plan will be exercisable over periods of up to 10 years, as determined by the Board. If the date on which an Option expires occurs during or within 10 days after the last day of a black out period, the expiry date for the Option will be the last day of such 10 day period.
7. If the Option holder ceases to be a director, employee (other than by reason of death), or consultant of the Company, as the case may be, then the Option granted shall expire on no later than the 90th day following the date that the Option Holder ceases to be a director, employee, or consultant of the Company, subject to the terms and conditions set out in the Option Plan. If the Option Holder ceases to be a director, employee or consultant of the Company by reason of death, the Options terminate on the earlier of one year of the Option Holder’s death and the expiration date of the Options. In the case of an optionee being dismissed from employment or service for cause, the Option shall terminate immediately upon receipt of notice thereof and shall no longer be exercisable as of the date of such notice.
8. Pursuant to the Option Plan and subject to the approval of the TSX, the Board may without shareholder approval (i) from time to time make prospective amendments to the Option Plan for the purpose of meeting any changes in relevant law, rule or regulation applicable to the Option Plan, provided that such amendment does not alter the terms and conditions of any Option or impair any right of any Option Holder pursuant to an Option awarded prior to such amendment; (ii) in its discretion (a) extend the expiry date of any Option, provided that in no case shall an Option be exercisable later than the tenth anniversary of the award date of the Option, subject to the maximum expiry date prescribed by the applicable regulatory authorities as of the award date; (b) alter or change the vesting terms applicable to an Option, including accelerating the vesting schedule to make the Option exercisable immediately, in full; (c) reduce the exercise price; or (d) amend any other term of an outstanding Option, provided that, if required by the rules or regulations of the Exchange, disinterested shareholder approval must be obtained for any reduction in the exercise price or extension of the expiry date if the Option Holder is an insider of the Company at the time of the proposed amendment; and (iii) terminate the Option Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination

and notwithstanding such termination the Company and such Options shall continue to be governed by the provisions of the Option Plan.

According to the rules of the TSX, a plan with a rolling 10% maximum must be approved by the shareholders of the Company every three years.

Performance Graph

The common shares of the Company were listed on the TSX on November 7, 2008. The following graph compares the total cumulative shareholder return for Cdn\$100 invested in the Company's common shares on November 7, 2008 and for each quarterly period thereafter in the Company's last two completed financial years with the cumulative total return of the Standard and Poor's TSX Composite Stock Index ("S&P/TSX Index") over the same periods.



The following table sets forth all annual and long-term compensation awarded, paid to or earned for services in all capacities to the Company for the fiscal year ended June 30, 2010 for each NEO of the Company:

Summary Compensation Table

Name and principal position	Year	Salary	Share-based awards (\$)	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽²⁾	Total compensation
					Annual incentive plans	Long-term incentive plans			
Stephen Orr ⁽²⁾⁽³⁾⁽⁸⁾ President & CEO	2010	\$208,333	N/A	\$3,249,734	N/A	N/A	N/A	\$93,286	\$3,551,353
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Ireland ⁽⁵⁾ CFO	2010	\$73,231	N/A	\$1,369,150	N/A	N/A	N/A	N/A	\$1,442,381
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Susan Rubin ⁽⁶⁾ CFO	2010	\$36,784	N/A	N/A	N/A	N/A	N/A	N/A	\$36,784
	2009	\$75,000	N/A	\$324,321	N/A	N/A	N/A	N/A	\$399,321
Richard Warke ⁽⁷⁾⁽⁸⁾ Chairman (former CEO)	2010	\$253,083	N/A	\$1,365,750	N/A	N/A	N/A	N/A	\$1,618,833
	2009	\$109,000	N/A	\$1,911,050	N/A	N/A	N/A	N/A	\$2,020,050
Jon Lehmann ⁽⁹⁾ Vice President Exploration	2010	\$209,548	N/A	\$819,450	N/A	N/A	N/A	N/A	\$1,028,998
	2009	\$206,180	N/A	\$379,459	N/A	N/A	N/A	N/A	\$206,180
(David) Blair Way ⁽¹⁰⁾ Vice President Project Development	2010	\$83,333	N/A	\$1,985,438	N/A	N/A	N/A	\$55,220	\$2,098,771
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) The fair value of the option based awards were calculated using the Black Scholes model using the following assumptions: expected life of between 3.3 and 4.5 years; annualized volatility of between 78% and 100%; a risk-free interest rate of between 2.3% and 3.3%; no dividend payments.
- (2) Mr. Orr received a \$75,000 signing bonus and \$18,286 of other benefits during 2010. Mr. Way received a \$55,220 resettlement assistance during 2010. Perquisites and other personal benefits that are generally available to all employees such as a health plan and that are in aggregate less than \$50,000 or less than 10% of the total annual salary for the financial year for the NEO are not reported.
- (3) Mr. Orr was hired as President and CEO effective August 31, 2009 and the information reported in this table reflects the ten (10) months of the recently completed fiscal year.
- (4) Options granted to Strategic Organizational Solutions Inc., a company 100% beneficially held by Stephen Orr.
- (5) Mr. Ireland was hired as CFO effective December 7, 2009 and the information reported in this table reflects the six and a half (6.5) months of the recently completed fiscal year. The salary indicated reflects the amount paid by the Company.
- (6) Ms. Rubin ceased to be CFO effective December 15, 2009.
- (7) Mr. Warke was CEO between July 24, 2008 and August 31, 2009.
- (8) Messrs. Orr and Warke are also directors of the Company but do not receive compensation for their role as a director.
- (9) Mr. Lehmann's salary is paid in US dollars. Amounts included in the above table are calculated by translating the US dollar amount paid in each month based on the exchange rate in effect at the end of the previous month.
- (10) Mr. Way was appointed February 1, 2010 and the information reported in this table reflects the five (5) months of the recently completed fiscal year.

NEO Employment Agreements

The Company has entered into an employment or consulting agreement with each NEO for an indefinite term. Each NEO employment/consulting agreement provides for a base salary (as may be adjusted annually), grant of stock options, vacation time and various standard benefits including life, disability, medical, dental and reimbursement of reasonable expenses. Where applicable, the payment of a bonus is tied to corporate, operational and individual performance and the grant of stock options are at the discretion of the Board. Refer to the Summary

Compensation table under “*Statement of Executive Compensation*” for compensation paid to, earned by or accrued for each NEO for fiscal 2010.

Stephen A. Orr, President and CEO

The Company entered into a consulting agreement with Strategic Organizational Solutions Inc. (“SOS”), a company 100% beneficially held by Mr. Orr. The agreement provides for an annual compensation of \$250,000 plus GST and a cash bonus in the amount of up to 50% of his annual compensation paid to him in the previous year. The bonus shall be based on the performance of Mr. Orr against pre-determined targets and objectives and Mr. Orr’s contribution to the business of the company, in conjunction with the Company’s performance at the end of each fiscal year. The bonus is subject to Board approval. Under the terms of this agreement, if Mr. Orr’s employment is terminated by the Company without cause or by Mr. Orr for good reason, the Company shall pay SOS at the termination date in a lump sum a cash amount equal to two times his annual compensation in effect immediately preceding such termination and all non-vested share options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter. If Mr. Orr should resign for good reason or the Company should terminate his employment without cause within six months after a change of control, the Company shall compensate SOS with a lump sum cash amount equal to two times his annual compensation and all non-vested stock options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter.

Paul Ireland, Chief Financial Officer

Mr. Ireland’s employment agreement is with both the Company and Wildcat Silver Corporation (“**Wildcat**”) with compensation cost allocated based on time spent on the affairs of each company (together the “**Companies**”). Mr. Ireland’s annual salary is \$200,000 plus a cash bonus of up to 30% of his annual salary (target bonus) paid to him in the previous fiscal year. Mr. Ireland’s bonus shall be based on the Companies’ and his individual performance against pre-determined targets and objectives set by the respective Companies’ board and his contribution to the business of the Companies. Under the terms of this agreement, If Mr. Ireland’s employment is terminated by the Company without Cause or by Mr. Ireland for good reason, within the first year of employment the Company shall pay Mr. Ireland at the termination date in a lump sum a cash amount equal to one half of his annual salary in effect immediately preceding such termination, and if such termination occurs after the first year of employment, Mr. Ireland is entitled to receive one times his annual salary. In either of the aforementioned circumstances, all non-vested share options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter. If Mr. Ireland should resign for good reason or the Company should terminate his employment without cause within six months after a change of control, the Company shall compensate Mr. Ireland with a lump sum cash amount equal to two times his annual salary and target bonus earned in the preceding 12 months, calculated by the percentage of time allocated to the Company in the preceding 12 months, and all non-vested stock options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter. Wildcat may elect to fully assume Mr. Ireland’s employment in which case no termination amount will be payable although Mr. Ireland’s non-vested stock options will immediately vest.

Richard W. Warke, Chairman

Mr. Warke's employment agreement provides for an annual salary of \$200,000. Under the terms of this agreement, If Mr. Warke's employment is terminated by the Company without cause or by Mr. Warke for good reason, or the Company shall pay Mr. Warke at the termination date in a lump sum a cash amount equal to three times his annual salary in effect immediately preceding such termination and all non-vested share options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter. If Mr. Warke should resign for good reason or the Company should terminate his employment without cause within six months after a change of control, the Company shall compensate Mr. Warke with a lump sum cash amount equal to three times his annual salary and all non-vested stock options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter.

Jon Lehmann, Vice President Exploration

Mr. Lehmann's consulting agreement provides for an annual salary of USD\$200,000 and does not contain any specific terms regarding termination or severance.

David Blair Way, Vice President Project Development

Mr. Way's employment agreement provides for an annual salary of \$200,000 and an additional cash bonus in the amount of up to 50% of the annual salary paid to him in the previous year. The bonus will be based on Mr. Way's performance against pre-determined targets and objectives and his contribution to the business of the Company in conjunction with the Company's performance at the end of each fiscal year. The bonus is subject to Board approval. Under the terms of this agreement, If Mr. Way's employment is terminated by the Company without cause or by Mr. Way for good reason, the Company shall pay Mr. Way at the termination date in a lump sum a cash amount equal to two times his annual salary in effect immediately preceding such termination and all non-vested share options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter. If Mr. Way should resign for good reason or the Company should terminate his employment without cause within six months after a change of control, the Company shall compensate Mr. Way with a lump sum cash amount equal to two times his annual salary and all non-vested stock options granted to him shall immediately and fully vest on the effective date of such termination and be exercisable for 90 days thereafter.

Termination and Change of Control Benefits

The following table provides detail regarding the estimated incremental payments from the Company to each NEO on termination without cause, or by the NEO for good reason, or in the event that the Company terminates their employment within six months of a change of control, assuming a triggering event occurred on June 30, 2010:

	Multiple	Base Salary Value ⁽¹⁾	Bonus Value	Equity Grant Value ⁽⁴⁾	Total
Stephen Orr, President & CEO	2	\$500,000	\$0	\$1,380,000	\$1,880,000
Paul Ireland, CFO	0.5 ⁽²⁾	\$64,015 ⁽³⁾	\$0	\$0	\$64,015
	2	\$256,061	\$76,818	\$0	\$332,879
Richard W. Warke, Chairman	3	\$600,000	\$0	\$12,088,750	\$12,688,750
Jon Lehmann, Vice President Exploration	N/A	N/A	N/A	\$2,519,000	\$2,519,000
David Blair Way, Vice President Project Development	2	\$400,000	\$0	\$0	\$400,000

- (1) Equity value is not impacted by the applicable multiple. At June 30, 2010 the closing price of the Company's shares on the TSX was CAD\$7.95.
- (2) The 0.5 multiple applies for a termination without cause or by Mr. Ireland for good reason. After one year of employment this multiple is one times Mr. Ireland's salary.
- (3) Based on the prorated portion paid by the Company from the beginning of Mr. Ireland's employment on December 7, 2009 until June 30, 2010.
- (4) Value takes into account stock options that vested as a result of a triggering event plus outstanding vested stock options held at such time.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out all awards outstanding at the end of the most recently completed financial year including awards granted before the most recently completed financing year. During and prior to 2010 the only type of award granted to the Company's NEOs was incentive stock options:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options		Option exercise price	Option expiration date	Value of unexercised in-the-money options ^{(1) (3)}	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested
	Unexercisable	Exercisable					
Stephen Orr ⁽²⁾ President & CEO	333,334	166,666	\$5.19	July 21, 2014	\$3,975,000	N/A	N/A
	250,000	0	\$9.49	June 22, 2015	\$1,987,500		
Paul Ireland CFO	200,000	0	\$9.40	April 1, 2015	\$1,590,000	N/A	N/A
	50,000	0	\$9.49	June 22, 2015	\$397,500		
Richard Warke Chairman	0	1,425,000	\$1.60	July 24, 2013	\$11,328,750	N/A	N/A
	333,334	166,666	\$1.87	May 11, 2014	\$3,975,000	N/A	N/A
	250,000	0	\$9.49	June 22, 2015	\$1,987,500		
Jon Lehmann Vice President Exploration	0	100,000	\$1.00	April 25, 2012	\$795,000	N/A	N/A
	200,000	100,000	\$1.87	May 11, 2014	\$2,385,000	N/A	N/A
	150,000		\$9.49	June 22, 2015	\$1,192,500		
(David) Blair Way Vice President Project Development	300,000	0	\$9.40	April 1, 2015	\$2,385,000	N/A	N/A
	62,500	0	\$9.49	June 22, 2015	\$496,875		

- (1) On June 30, 2010 the closing price of the Company's shares on the TSX was CAD\$7.95. Value is based on the number of options (vested and unvested) held by the NEO on June 30, 2010.
- (2) Options granted to Strategic Organizational Solutions Inc., a company 100% beneficially held by Stephen Orr.
- (3) Total value of all options as at June 30, 2010 assuming they have fully vested.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Orr President & CEO	\$0	N/A	N/A
Paul Ireland CFO	\$0	N/A	N/A
Richard Warke Chairman	\$3,634,619	N/A	N/A
Jon Lehmann Vice President Exploration	\$1,724,000	N/A	N/A
(David) Blair Way Vice President Project Development	\$0	N/A	N/A

⁽¹⁾ Represents the aggregate dollar value that would have been realized if the options under the option based award had been exercised on the vesting date by taking the difference between the market price of the common shares of the Company and the exercise price of the options under the option based award on the vesting date.

Pension Plan Benefits

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

Director Compensation

During the recently completed fiscal year, the Company paid \$57,006 to the members of a special committee for their services during the year. There were no other fees paid to any directors. No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity. There was no arrangement, standard or otherwise, pursuant to which directors received cash or non-cash compensation from the Company in their capacity as directors, consultants and/or experts. Incentive stock options may be granted, from time to time, to the Company's directors.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
R. Stuart Angus	\$20,814	N/A	\$819,000	N/A	N/A	N/A	\$839,814
Robert Pirooz	\$18,096	N/A	\$819,000	N/A	N/A	N/A	\$837,096
Randy Smallwood	\$18,096	N/A	\$819,000	N/A	N/A	N/A	\$837,096
Michael Steeves	N/A	N/A	\$819,000	N/A	N/A	N/A	\$819,000

⁽¹⁾ The fair value of the option based awards were calculated using the Black Scholes model using the following assumptions: expected life of 3.3; annualized volatility of 84%; a risk-free interest rate of 2.3%.

The Company does not have a compensation committee.

All reasonable expenses incurred by a director in attending Board meetings, committee meetings or shareholder meetings, together with all expenses properly and reasonably incurred by any

director in the conduct of the Company's business or in the discharge of his duties as a director are paid by the Company.

Directors' outstanding share-based awards and option-based awards

The following table sets forth, for each director of the Company that 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. During the year ending 2010 and prior years, the only type of award granted to the Company's directors has been stock options:

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 ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
	Unexercisable	Exercisable					
R. Stuart Angus ⁽¹⁾⁽⁴⁾	N/A N/A 75,000	100,000 150,000	\$1.00 \$1.87 \$9.49	April 25, 2012 May 11, 2014 June 22, 2015	\$695,000 \$912,000 0	N/A	N/A
Robert Pirooz ⁽¹⁾	N/A 75,000	150,000	\$1.87 \$9.49	May 11, 2014 June 22, 2015	\$912,000 0	N/A	N/A
Randy Smallwood ⁽¹⁾⁽⁴⁾	N/A N/A 75,000	100,000 150,000	\$0.20 \$1.87 \$9.49	Dec 11, 2013 May 11, 2014 June 22, 2015	\$775,000 \$912,000 0	N/A	N/A
Michael Steeves ⁽¹⁾⁽³⁾⁽⁴⁾	N/A 75,000	100,000 ⁽³⁾	\$1.87 \$9.49	May 11, 2014 June 22, 2015	\$608,000 0	N/A	N/A

- (1) Options granted to Independent Directors (Robert Pirooz, Randy Smallwood, Michael Steeves and R. Stuart Angus) vest 50% immediately and the remainder on the first anniversary of the grant.
- (2) On June 30, 2010 the closing price of the Company's shares on the TSX was CAD\$7.95. Value is calculated on the vested options.
- (3) On May 14, 2009 Mr. Steeves exercised 100,000 options which were granted on April 25, 2007 and on April 8, 2010 exercised 50,000 of the 150,000 options granted to him on May 11, 2009.
- (4) Audit Committee member.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Stock Option Plan

The following table sets forth information as at June 30, 2010 concerning the Company's Option Plan described under "Long Term Incentive Compensation – The Option Plan":

Equity compensation plans approved by securityholders	Number of common shares to be issued upon exercise of options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Option Plan	7,611,500 ⁽¹⁾	\$4.13	2,593,313 ⁽²⁾

- (1) Of these 2,755,831 were exercisable at June 30, 2010.
- (2) Based on 10% of the Company's issued and outstanding common shares at June 30, 2010 less options outstanding at June 30, 2010. This aggregate number of securities will be available for issue under all security based compensation plans of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last fiscal year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as indicated under "Particular Matters to be Acted Upon – Loan Fees."

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating six individuals to the Company's board of directors (the "**Board**"), all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. Of the proposed nominees, Richard W. Warke and Stephen A. Orr are considered "inside" or management directors and accordingly such persons are not considered to be "independent" within the meaning of NI 52-110. The other four directors, R. Stuart Angus, Robert Pirooz, Randy Smallwood and Michael Steeves, are considered by the Board to be "independent" within the meaning of NI 52-110.

Directorships

The following directors of the Company are directors of other reporting issuers:

- R. Stuart Angus is a director of Bolero Resources Corp., CMQ Resources Inc., Kobex Minerals Inc., Nevsun Resources Ltd., Plutonic Power Corporation, San Marco Resources Inc., Santa Fe Minerals Corp., SouthGobi Energy Resources Ltd., Stealth Energy Inc., Torex Resources Ltd., Tsodilo Resources Limited and Wildcat Silver Corporation. Mr. Angus is also a director and officer of Dynasty Gold Corp.
- Stephen A. Orr is a director of Goldquest Mining Corp.
- Robert Pirooz is a director of Pan American Silver Corp., Magma Energy Corp., Anfield Nickel Corp. and Lumina Copper Corp.

- Randy Smallwood is a director of Canaco Resources Inc. and Geologix Explorations Inc.
- Michael Steeves is a director of Augusta Resource Corporation, Zazu Metals Corporation and Forum Uranium Corp.
- Richard W. Warke is a director of Augusta Resource Corporation, Wildcat Silver Corporation and Riva Gold Corporation.

The independent directors of the Company hold meetings as required at which non-independent directors and members of management are not in attendance.

There were eight Board meetings and four Audit Committee meetings held during fiscal 2010. Following is the attendance record of each director:

<u>Director</u>	<u>Board Meetings</u>	<u>Audit Committee Meetings</u>
Richard W. Warke	8 of 8	N/A
Stephen Orr	8 of 8	N/A
Robert Pirooz	8 of 8	N/A
Randy Smallwood	7 of 8	3 of 4
Michael Steeves	8 of 8	4 of 4
R. Stuart Angus	8 of 8	4 of 4

Board Mandate

The Board does not currently have a formal written mandate. The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan; reviewing and approving significant capital investments; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

The Board relies on management for periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations effectively. Major matters are to be analysed in reports prepared by management and submitted to the Board for its approval. All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or a Board committee remains the responsibility of the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Position Descriptions

The Board has not developed formal written position descriptions for the Chairman of the Board, the Chairman of the Audit Committee or the CEO. All members of the Board are also directors of other reporting issuers and are therefore knowledgeable and experienced in their capacity as such and the role designated for them. Informal discussions occur at the Board level with respect to their responsibilities of the Chairman of the Board, Chairman of the Audit Committee and the CEO.

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors. The Company is considering adopting formal policies with respect to the orientation of new directors and for the continuing education of directors. Measures are taken to ensure new members are provided with an orientation which includes information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all scheduled Board and committee meetings, as applicable, either by telephone conference or in person when possible.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the “**Code of Conduct**”) for its directors, officers and employees. Michael Steeves, the Chairman of the Audit Committee and Purni Parikh, Corporate Secretary, have the responsibility for monitoring compliance with the Code of Conduct by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code of Conduct and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to either Purni Parikh or Michael Steeves, or other designated person. A copy of the Code of conduct may be accessed on the Company’s website at www.ventanagold.com.

Nomination of Directors

The Board does not have a formal process with respect to the appointment of new nominees to the Board. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the CEO. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.

Compensation

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements, which currently involves no compensation other than the grant of stock options, and payment of fees for a being a member of a special committee.

Other Board Committees

The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule “B” to this Circular. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute additional formal standing committees, and will ensure that such committees are governed by written charters.

Audit Committee

The Audit Committee is a committee of the board of directors (the “**Board**”) to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

- (a) review and report to the Board on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in NI 51-102) of the Company; and
 - (ii) the auditors report, if any, prepared in relation to those financial statements,
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) 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,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
 - (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company,
 - (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with NI 52-109,
 - (l) review and recommend to the Board any changes to accounting policies,
 - (m) review the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon, and
 - (n) review major transactions including, acquisitions, divestitures and funding.

Composition of the Committee

The Audit Committee will be composed of three directors from the Board, each of whom are independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.

All members of the Audit Committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The Audit Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Audit Committee will set the compensation for such advisors.

The Audit Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

Reporting

The reporting obligations of the Audit Committee will include:

1. reporting to the Board on the proceedings of each Audit Committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F1 in any management information circular prepared by the Company.

Other

The Audit Committee is to review any related-party transactions.

Composition of the Audit Committee and Relevant Education and Experience

Michael Steeves, R. Stuart Angus and Randy Smallwood are the members of the Audit Committee. All members are independent and financially literate as defined by NI 52-110. For additional information see "Election of *Directors - Position Held with the Company and Present and Principal Occupation During the Past Five Years*".

AUDITOR

PriceWaterhouseCoopers LLP, Chartered Accountants were appointed as auditor for the Company at the last annual general meeting held on November 24, 2009.

MANAGEMENT CONTRACTS

Ventana has entered into a Management Services Agreement with 688284 B.C. Ltd. (the "Management Company") and certain other reporting issuers. Generally, under the Management Services Agreement, the Management Company has agreed to provide Ventana and the other reporting issuers with office space, facilities, equipment and services, including personnel, with respect to the administrative and corporate affairs of Ventana. In exchange, Ventana will pay the Management Company a monthly management fee to be determined based on Ventana's pro rata share of the estimated expenses on a full cost recovery basis for the services provided. In addition, wage and benefit costs of personnel (including any termination of employment costs) shall be charged to Ventana based on the time spent by employees of the Management Company providing the services. The management fee shall be reviewed and adjusted from time to time to reflect actual expenses paid against the management fees received.

GENERAL MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the persons named in the Proxy intend to vote thereon, in accordance with his judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com and the Company's website at www.ventanagold.com. Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for the financial year ended June 30, 2010, a copy of which is available on SEDAR at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company at (604) 687-1717.

ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended June 30, 2010, together with the report of the Company's auditors thereon, which were filed on SEDAR at www.sedar.com on September 21, 2010, will be presented to the Company's shareholders at the Meeting.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 21st day of September, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Stephen A. Orr*"

Stephen A. Orr
President and CEO