

ORVANA MINERALS CORP.

**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 3, 2011**

AND

MANAGEMENT INFORMATION CIRCULAR

ORVANA MINERALS CORP.

**Notice of Annual Meeting of Shareholders
to be held on March 3, 2011**

Notice is hereby given that the annual meeting of the holders of common shares of Orvana Minerals Corp. (the "Company") will be held at TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on Thursday, March 3, 2011 at 2:00 p.m. (Toronto time) for the following purposes:

- (a) to receive the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2010 and the auditors' report thereon, a copy of which is enclosed herewith;
- (b) to elect directors of the Company to hold office until the close of the next annual meeting of shareholders;
- (c) to appoint PricewaterhouseCoopers LLP as the Company's auditors for the ensuing year and to authorize the board of directors to fix their remuneration;
- (d) to transact such other business as may properly come before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the meeting. Registered shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Company c/o Equity Financial Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Equity Financial Trust Company, not later than 2:00 p.m. (Toronto time) on March 1, 2011, or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

DATED as of the 13th day of January, 2011.

By order of the board of directors



Name: C. Kent Jespersen

Title: Chairman

ORVANA MINERALS CORP.

Management Information Circular for the Annual Meeting of Shareholders to be held on March 3, 2011

PROXIES

Solicitation of Proxies

This Management Information Circular (the “Circular”) is provided in connection with the solicitation, by or on behalf of the management of Orvana Minerals Corp. (“Orvana” or the “Company”), of proxies to be used at the Company’s annual meeting of the holders of common shares (the “Common Shares”) to be held on March 3, 2011 (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company’s transfer agent, Equity Financial Trust Company, at nominal cost. The cost of solicitation will be borne by the Company.

Appointment of Proxyholder

The persons designated by management of the Company in the enclosed form of proxy are directors of the Company. **Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) other than the persons designated by management of the Company in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Company c/o Equity Financial Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, fax number (416) 361-0470 (within North America). In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Equity Financial Trust Company not later than 2:00 p.m. (Toronto time) on March 1, 2011, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

Revocation of Proxy

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder’s attorney, who is authorized in writing, to or at the registered office of the Company at 181 University Avenue, Suite 1901, Toronto, Ontario, M5H 3M7 at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjourned meeting. A shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Company in the enclosed form of proxy will be

voted or withheld from voting in accordance with the instructions given on the proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Company is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Beneficial Shareholders

The information set forth in this section is of importance to many shareholders of the Company, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (i.e. non-registered or beneficial shareholders) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. 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 the 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can be voted (for or against resolutions) only upon the instructions of the beneficial shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable securities legislation requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its 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. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically uses its own form of proxy, mails those forms to the beneficial shareholders and asks beneficial shareholders to return the proxy forms to Broadridge. 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 receiving a proxy from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a beneficial shareholder may attend at 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 in the blank space on the form of 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 (or agent), well in advance of the Meeting.

VOTING SHARES

Voting Shares

As at January 13, 2011, the Company had 116,553,172 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of the matters that are to be submitted to a vote at the Meeting.

Record Date

The Company's board of directors (the "board of directors" or the "Board") has fixed February 1, 2011 as the record date for the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and senior officers of the Company, as at January 13, 2011, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting rights attached to the outstanding Common Shares of the Company except as stated below.

<u>Name</u>	<u>Aggregate Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Fabulosa Mines Limited ¹	60,445,028	52.0%

Note:

1. Pursuant to an agreement dated September 12, 2001, as amended, Fabulosa Mines Limited ("Fabulosa") has a pre-emptive right with respect to the issuance of additional Common Shares or securities convertible into Common Shares to other persons, entitling Fabulosa to acquire the same number of Common Shares or convertible securities that the Company issues to such other persons on the same terms and conditions, subject to applicable requirements of the Toronto Stock Exchange.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors has fixed the number of directors to be elected at the Meeting at nine. Under the by-laws of the Company, directors of the Company are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

The board of directors recommends a vote “for” the election of each of its proposed nominees to serve on the Company’s board of directors until the next annual meeting of shareholders. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated in the table below opposite the proposed nominee’s name.** Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person’s associates or affiliates as at January 13, 2011. Information as to Common Shares beneficially owned or over which control or direction is exercised and as to employment history, not being within the knowledge of the Company, has been furnished by the respective proposed nominees.

Name, Province/State and Country of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised
Dr. Peter Bradshaw ⁽²⁾⁽³⁾ British Columbia, Canada	President and Chief Executive Officer of First Point Minerals Corp., a mineral exploration company.	May 2006	43,200
Dr. Richard H.T. Garnett ⁽¹⁾⁽³⁾ Ontario, Canada	President of Valrik Enterprises Inc., a company providing consultancy services to mining companies.	February 2009	60,000
James Gilbert ⁽¹⁾⁽⁴⁾ Virginia, USA	President and Chief Executive Officer of Minera S.A., a private mining and metals investment company and the parent of Fabulosa.	August 2009	Nil
Roland Horst Ontario, Canada	Chief Executive Officer of the Company since February 2010; prior to that was President and Chief Executive Officer of Royal Nickel Corporation, a mineral exploration and development company, from February 2007 to October 2009; prior to that was President and Chief Executive Officer of INV Metals Inc. (formerly International Nickel Ventures Corporation), a mineral exploration and development company, from September 2005 to February 2007.	March 2010	50,000
C. Kent Jespersen ⁽⁵⁾ Alberta, Canada	Chairman and Chief Executive Officer of La Jolla Resources International, a business advisory and investment company.	December 2007	53,000
J. Robert Logan ⁽¹⁾⁽²⁾ Arizona, USA	Private investor since June 2006; prior to that, Managing Director, Fixed Income Capital Markets, at Citigroup, a financial services company.	December 2007	75,000
Carlos Mirabal Santa Cruz, Bolivia	President and Chief Operating Officer of the Company.	October 2006	70,000
Robert A. Mitchell, C.A. ⁽²⁾ Ontario, Canada	Corporate director from October 2001; prior to October 2001, Partner, Ernst & Young LLP, an accounting firm.	April 2007 and from December 2003 to June 2006	165,000
Jorge Szasz ⁽¹⁾⁽³⁾ Santiago, Chile	Consultant to mining exploration and development companies since September 2009; prior to that, Vice President Commercial, Finance and Administration of Sinchi Wayra S.A., a mining company that is a subsidiary of Glencore International AG.	February 2010	Nil

1. Member of the Compensation and Nominating Committee.

2. Member of the Audit Committee.

3. Member of the Safety, Health and Environment Committee.

4. Mr. Gilbert is also a director of Fabulosa, a wholly-owned subsidiary of Minera S.A., which held 60,445,028 Common Shares, representing 52.0% of the Company's outstanding Common Shares, as at January 13, 2011.

5. Chairman of the Board of Directors.

Roland Horst was Chief Executive Officer of IDS Intelligent Detection Systems Inc. (“IDS”), which was petitioned into receivership in March 2001. Mr. Horst was appointed Chief Executive Officer of IDS in June 2000, at which time IDS was already in serious financial difficulty. For a short period of time, Mr Horst as an officer and a director of IDS, was prohibited from trading securities of IDS until restated financial statements could be filed.

Appointment of Auditors

The auditor of the Company is currently PricewaterhouseCoopers LLP of Toronto, Canada (“PwC Canada”). At the Meeting, holders of Common Shares will be requested to re-appoint PwC Canada as the Company’s independent auditors to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the board of directors to fix the auditors’ remuneration. PwC Canada has been the auditor of the Company since September 2004.

The board of directors recommends a vote “for” the re-appointment of PwC Canada as independent auditors for the Company until the next annual meeting of shareholders or until a successor is appointed and the authorization of the board of directors to fix the auditors’ remuneration. **Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PwC Canada as the auditor of the Company until the close of the next annual meeting of the shareholders of the Company, or until its successor is appointed, and the authorization of the board of directors of the Company to fix the remuneration of the auditor of the Company.**

Other Matters

The Company knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent in accordance with their judgement on such matters.

EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to include in this Circular certain information concerning the compensation earned from the Company and any of the Company’s subsidiaries by the Company’s Chief Executive Officer and its Chief Financial Officer (regardless of the amount of compensation of those individuals) and each of the Company’s other three most highly compensated executive officers whose total compensation exceeded \$150,000 during the Company’s most recently completed fiscal year (collectively, the “Named Executive Officers”).

Compensation Discussion and Analysis

Objectives of the Executive Compensation Program

The objectives of Orvana’s executive compensation program are: (i) to align the interests of executive officers with the short and long-term interests of the Company’s shareholders, (ii) to provide incentive compensation opportunities for executive officers that complement the Company’s strategic and operational objectives and are commensurate with the level of performance achieved, (iii) to ensure that the Company is able to attract and retain skilled and experienced executive officers who can help Orvana achieve its strategic and operational objectives, and (iv) to be competitive with the companies with which Orvana competes for talent.

Orvana's compensation program is designed to take into consideration the experience, responsibility and expected performance of each individual and to ensure that the compensation packages are consistent with the compensation provided for positions of similar responsibility in mining companies of a similar size and operational complexity.

Elements of Executive Compensation

The elements of the Company's executive compensation program, which include both fixed compensation and performance-based variable compensation, are: base salary, annual performance bonus, restricted share units, stock options and a benefits program consisting of health, dental, disability and insurance plans. The sum of these compensation elements comprises the total direct compensation of the Company's executive officers. The Company does not have a pension plan.

Base Salary

Base salary is a fixed component of compensation that provides income certainty by establishing a base level of compensation of executives for fulfilling their roles and responsibilities.

Annual Performance Bonus

The annual performance bonus provides the possibility of the annual payment of an amount equal to a percentage of an executive's base salary. The purpose of the annual performance bonus is to provide annual incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive, which are established at the commencement of the fiscal year, and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. The amount of the bonus is variable from year to year in relation to the executive's performance.

Long-term Incentives

The elements of the compensation program that are intended to provide long-term incentives are the performance-based grants of restricted share units, which may be granted annually, and stock options. These grants of equity-linked compensation are intended to better align the interests of an executive with those of shareholders by connecting the amount of the executive's compensation to the Company's share price performance. The incremental vesting of awards over a period of several years is also intended to aid in executive retention as well as to mitigate the risk of undue risk-taking, the effects of which may lag annual bonus awards.

Restricted Share Units

On October 1, 2008, the Company adopted a Restricted Share Unit Plan for Designated Executives (the "RSU Plan"). As described below, restricted share units ("RSUs") are used by the Company to provide certain executive officers with long-term incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. As RSUs are granted based on past performance, executives are not considered eligible to receive grants of RSUs until the end of the fiscal year in which they join the Company. The amount of the grant is variable from year to year in relation to the executive's performance.

Each RSU has a value equal to one Common Share. The number of RSUs included in a grant is determined by dividing the value of the RSU award by the average closing price of the Common Shares on the Toronto Stock Exchange ("TSX") for the five trading days immediately prior to September 30 of

the fiscal year in which the services to which the grant relates were rendered. RSUs vest on December 1 of the third calendar year following the end of the calendar year in which the executive provided the services to which the grant relates (where such services straddle two calendar years, the first calendar year in which the services to which the grant of such RSUs relate were rendered) or such other date as may be specified in the terms of the grant. Pursuant to the RSU Plan, at vesting, each RSU will have a value equal to the average closing price of one Common Share for the five trading days prior to the vesting date. Executives who continue in employment with the Company or one of its affiliates on the vesting date shall receive a payment in respect of the vested RSUs. RSUs may be forfeited in the event of cessation of the executive's employment by the Company and its affiliates prior to vesting.

The addition of RSUs as a component of compensation is intended to more effectively correlate long-term incentive compensation to the Company's performance. In addition, while the value of both stock options and RSUs are tied to the Company's share price, unlike stock options, RSUs are not dilutive to shareholders' equity. The incentive, risk mitigation and retentive value of stock options can be limited in circumstances where, notwithstanding strong corporate and/or individual performance, the Company's share price is negatively impacted by external factors such that stock options have no value. In such circumstances, RSUs continue to have value, albeit reduced, and, consequently, continue to support executive retention and provide effective long-term incentive compensation. The three-year vesting period for RSUs is intended to ensure that they act as long-term incentive compensation and provide a significant retention incentive.

Stock Options

Prior to Orvana's adoption of the RSU Plan, the Company's long-term incentive compensation for executives was solely in the form of stock options to acquire Common Shares. Like RSUs, the value of stock options is directly linked to the price of the Common Shares. The Company continues to grant stock options in connection with the initial appointment of certain executives, thereby bridging the period until a significant RSU holding is established. The purpose of these awards is to assist in attracting talented executives and to align their interests with those of the Company's shareholders from the date of their initial appointment and prior to their eligibility to receive grants of RSUs. The Company, in the exercise of discretion granted under the Plan, may make an extraordinary grant of additional stock options to an executive based on the recommendation of the Compensation and Nominating Committee, taking into account such factors as: an exceptional level of Company and/or individual performance; the number of stock options awarded to such executive in the past; and other factors justifying a special grant.

To the extent that the Company continues to provide stock options to executives, the stock options are granted under the Company's 2006 Stock Option Plan, adopted by the Company effective February 16, 2006 (the "2006 Stock Option Plan"). Stock options granted under the plan are granted with an exercise price of not less than the volume-weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the stock option grant date. Such stock options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the shares shall be issuable under a stock option within 12 months of the grant date. Stock options expire not later than the fifth anniversary of the date on which they are granted.

Other Compensation

The Company's Named Executive Officers also receive benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits consist of medical, dental, long and short-term disability, accidental death and dismemberment and life insurance.

In the case of the Company's Vice President, Corporate Development and the Vice President, Mining they are provided with an allowance of US\$30,000 and US\$19,740 respectively, per year to be used to purchase benefits comparable to those provided directly by the Company. Any further perquisites are outlined in the discussion following the Summary Compensation Table (below).

How the Corporation Determines Executive Compensation

The Compensation and Nominating Committee reviews each component of compensation for each officer and makes a compensation recommendation to the Company's board of directors. In making its recommendations, the Committee considers, among other things, recommendations made by any external compensation consultant retained by the Committee and the executives' self-evaluations. In addition, the Committee may seek input from the Chief Executive Officer with respect to the performance evaluations of the other Named Executive Officers. The board of directors reviews the Committee's recommendations and provides final approval of the compensation of the Company's officers. The board of directors has complete discretion over the amount and composition of each officer's compensation.

In the 2008 fiscal year, the Compensation and Nominating Committee retained Towers Watson to review and make recommendations regarding the Company's executive and director compensation. In connection with this evaluation, the Company paid a total of \$86,830 to Towers Watson for consulting fees relating to executive compensation (\$57,680) and director compensation (\$29,150). At the recommendation of the Compensation and Nominating Committee, the board of directors largely adopted the recommendations made by Towers Watson.

In order to evaluate its current level and manner of executive compensation and establish appropriate reference points for use in future years, following discussions with Towers Watson, the Compensation and Nominating Committee established a benchmark group of comparably-sized, publicly traded companies in the mining sector. The following were the companies included in the list: ADF Group Inc., Alamos Gold Inc., Amerigo Resources Ltd., Apex Silver Mines Ltd., Breakwater Resources Ltd., Claude Resources Inc., Coeur d'Alene Mines Corp., Crew Gold Corp., Crystallex International Corp., Eldorado Gold Corp., European Goldfields Ltd., First Nickel Inc., Frontera Copper Corp., Gammon Lake Resources Inc., Glencairn Gold Corp., Hecla Mining Co., Ivernia Inc., Jaguar Mining Inc., Kinross Gold Corp., Kirkland Lake Gold Inc., Labrador Iron Ore Royalty Income Fund, La Mancha Resources Inc., Red Back Mining Ltd., Richmond Mines Inc., Semafo Inc., Silvercorp Metals Inc. and Yamana Gold Inc.

As a guiding principle in determining executive compensation, Orvana seeks to position base salaries and target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance.

Base salaries are reviewed annually by the Compensation and Nominating Committee following which a recommendation regarding base salary for the upcoming year is provided to the board of directors. In its annual review, the Committee considers the compensation levels in benchmark companies to ensure that the base salary of each Named Executive Officer properly reflects Orvana's goal of setting compensation relative to benchmark companies as well as the officer's expertise and performance in fulfilling their role and responsibilities.

In the past, bonus awards were recommended to the board of directors at the discretion of the Compensation and Nominating Committee following an annual review of each executive's performance and taking into consideration the Company's financial performance for the year. Commencing in the fiscal year ended September 30, 2009, the Company adopted a new process for determining the amounts of annual bonus and long-term incentive compensation. At the commencement of each fiscal year, the Committee establishes target amounts for the annual bonus and long-term incentive compensation of each executive officer. These targets are set following consultation with the executive. As with base salaries,

targets for annual bonus and long-term incentive compensation amounts are determined with reference to the benchmark companies and the guiding principle that Orvana establish target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance.

At the start of each fiscal year, the Committee works with each of the executives to establish individual key performance objectives for the year. The objectives are designed to reflect both the Company's short-term goals and its long-term strategic objectives. The amount of annual bonus and long-term incentive compensation granted to an executive is determined in part by the executive's success in achieving the applicable performance objectives and in part by the Committee's overall view of the executive's effectiveness and contribution to the Company. In determining an executive's annual incentive compensation, success in achieving the performance objectives is assigned a weight of 70% and the Committee's overall view of the executive's effectiveness in reaching the objectives and contribution to the Company is assigned a weight of 30%. In a given year, an executive's incentive compensation can range from 0 to 150% of the targeted amounts. This evaluation is applied to determine both an executive's annual performance bonus and the executive's annual long-term incentive award.

At the same time that the Committee establishes performance objectives for the coming year, it reviews the success of the executives in achieving the prior year's objectives and determines its recommendations regarding incentive compensation in respect of the prior year. The specific objectives of each of the Named Executive Officers for the fiscal year ended September 30, 2010, the success of each of the executives in achieving these objectives, the Committee's overall evaluation of the executive's effectiveness and contribution to the Company and the amount of incentive compensation awarded is discussed below under the heading "-- Compensation Decisions for the Year Ended September 30, 2010."

The Compensation and Nominating Committee retains full discretion with respect to any recommendation of compensation awards and the board of directors retains full discretion with respect to granting all compensation awarded.

Compensation Decisions for the Year Ended September 30, 2010

Chief Executive Officer

Mr. Horst joined the Company as Chief Executive Officer effective March 1, 2010. His base salary for the 2010 fiscal year was US\$315,835 (C\$325,000). During the 2010 fiscal year, Mr. Horst was paid a salary of US\$184,237 (C\$189,583) from the period of March 1, 2010 to September 30, 2010. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 36.67% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation is limited to 110% of his base salary.

The performance objectives established for the Chief Executive Officer for the 2010 fiscal year were to: (i) lead and motivate the management team to meet or exceed the Company's business plan; (ii) increase shareholder value through enhanced investor relations and disclosure; (iii) maintain and improve ethical, safety, health and environmental standards of the Company; (iv) strengthen relationships with all stakeholders of Orvana, including shareholders, corporate and investment bankers, mining analysts and others; and (v) have an effective working relationship with the board of directors. The total score for performance objectives, which represents 70% of the executive's overall score, was 128.8%.

The overall evaluation of the executive's effectiveness and contribution to the Company included the consideration of many factors, including the effectiveness of the executive's working relationship with the board of directors. The score, which represents 30% of the overall score, was 130.8%.

The executive's overall score was 129.4%, resulting in an award of 129.4% of his targeted amount of annual performance bonus and an award of 129.4% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 36.67% of Mr. Horst's base salary, the amount of each of the awards was equal to 47.4% of his base salary. Consequently, Mr. Horst received a cash bonus of US\$87,392 (C\$89,928) and an award of RSUs having a value of US\$87,392 (C\$89,928) as at the end of the most recently completed fiscal year.

President and Chief Operating Officer

The base salary of the President and Chief Operating Officer for the 2010 fiscal year was US\$225,000. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 50% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation is limited to 150% of his base salary.

The performance objectives established for the President and Chief Operating Officer for the 2010 fiscal year were to: (i) meet or exceed actual budgeted net income approved by the board of directors, adjusted to metals prices; (ii) improve or maintain the fiscal year 2009 levels of safety, health, environmental and community relations practices; (iii) meet capital project management objectives on time and on budget; and (iv) have an effective working relationship with the management team in executing the Company's business plan. The total score for performance objectives, which represents 70% of the executive's overall score, was 128.6%.

The overall evaluation of the executive's effectiveness and contribution to the Company included the consideration of many factors, including the success of the development of the Upper Mineralized Zone of the Don Mario Mine and the Copperwood project and the effectiveness of the executive's working relationship with the board of directors. The score, which represents 30% of the overall score, was 150%.

The executive's overall score was 135%, resulting in an award of 135% of his targeted amount of annual performance bonus and an award of 135% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 50% of Mr. Mirabal's base salary, the amount of each of the awards was equal to 67.5% of his base salary. Consequently, Mr. Mirabal received a cash bonus of US\$151,875 and an award of RSUs having a value of US\$151,875 as at the end of the most recently completed fiscal year.

Vice President and Chief Financial Officer

The base salary of the Vice President and Chief Financial Officer for the 2010 fiscal year was US\$214,185 (C\$220,400). The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation is limited to 105% of his base salary.

The performance objectives established for the Vice President and Chief Financial Officer for the 2010 fiscal year were to: (i) obtain sufficient financing for all the Company's projects; (ii) as part of the management group, meet or exceed key objectives in the Company's business plan; (iii) integrate the El Valle-Boinás/Carlés project from a financial and legal framework into the Company; (iv) hire and lead financial staff to provide complete and timely Audit Committee and board of directors information and tax filings; (v) advance implementation of new regulatory and accounting requirements through internal controls over financial reporting and supervising the transition to International Financial Reporting Standards; and (vi) participate in acquisition target reviews. The total score for performance objectives, which represents 70% of the overall score, was 121%.

The overall evaluation of the executive's effectiveness and contribution to the Company included the consideration of many factors, including the success of the financing agreement. The score, which represents 30% of the overall score, was 136%.

The executive's overall score was 125.5%, resulting in an award of 125.5% of his targeted amount of annual performance bonus and an award of 125.5% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 35% of Mr. King's base salary, the amount of each of the awards was equal to 43.9% of his base salary. Consequently, Mr. King received a cash bonus of US\$94,081 (C\$96,811) and an award of RSUs having a value of US\$94,081 (C\$96,811) as at the end of the most recently completed fiscal year.

Vice President, Corporate Development

The base salary of the Vice President, Corporate Development for the 2010 fiscal year was US\$205,000. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation is limited to 105% of his base salary.

The performance objectives established for the Vice President, Corporate Development for the 2010 fiscal year were to: (i) oversee and execute an investor relations plan, achieving analyst coverage and increasing market valuation of the Common Shares; (ii) manage the Copperwood business plan, including supervising the preparation of resource reports, and working towards pre-feasibility and permitting; (iii) as part of the management group, meet or exceed key operating objectives included in the Company's business plan; (iv) oversee resource compilation, feasibility studies and exploration drilling at all of the Company's operations; (v) as part of the management team, obtain financing for all of the Company's projects; and (vi) identify and evaluate acquisition targets. The total score for performance objectives, which represents 70% of the overall score, was 136.9%.

The overall evaluation of the executive's effectiveness and contribution to the Company included consideration of many factors, including enhanced investor relations and the success of the development of the Copperwood project. The score, which represents 30% of the overall score, was 150%.

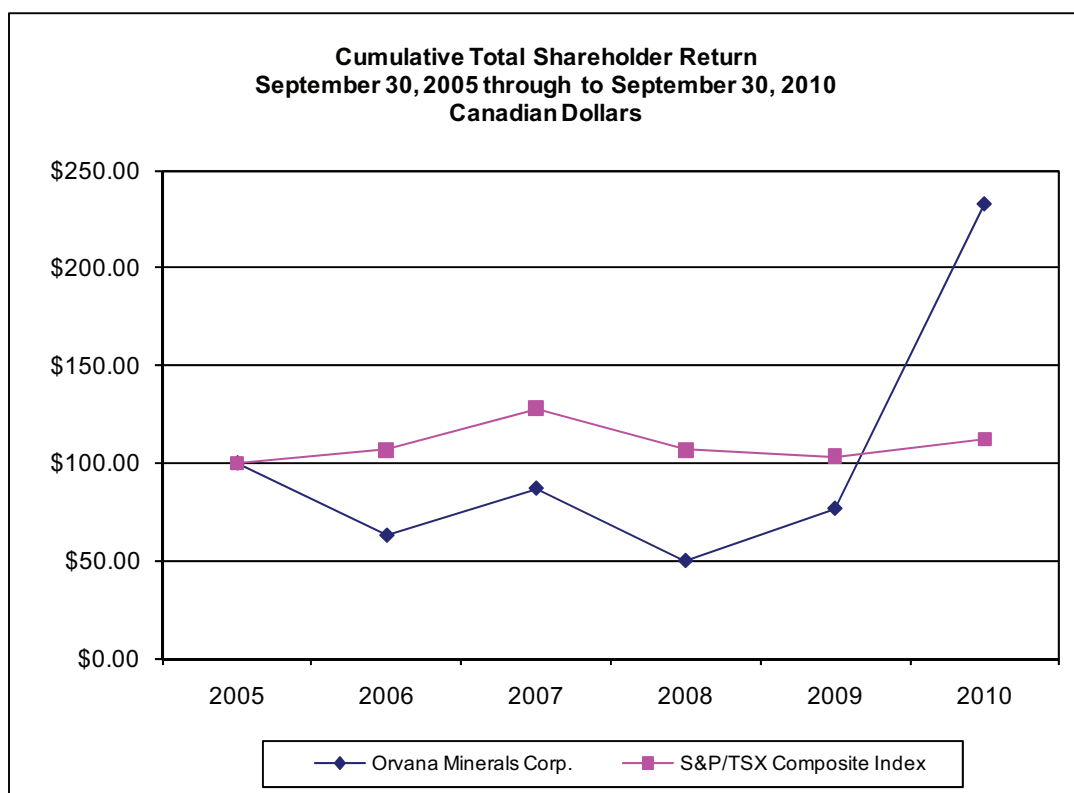
The executive's overall score was 140.9%, resulting in an award of 140.9% of his targeted amount of annual performance bonus and an award of 140.9% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 35% of Mr. Williams' base salary, the amount of each of the awards was equal to 49.3% of his base salary. Consequently, Mr. Williams received a cash bonus of US\$101,065 and an award of RSUs having a value of US\$101,065 as at the end of the most recently completed fiscal year.

Vice President, Mining

Mr. Gray joined the Company as the Vice President, Mining effective February 19, 2010 and his base salary for the 2010 fiscal year was US\$205,000. During the 2010 fiscal year Mr. Gray was paid a salary of US\$124,314. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary. Mr. Gray tendered his resignation effective October 31, 2010. The Vice President, Mining received a signing bonus of \$60,000 upon joining the Company that he would have been required to repay if he resigned within the first year of joining the Company. Instead of awarding an annual performance bonus, the Compensation and Nominating Committee agreed with Mr. Gray that the signing bonus would not need to be re-paid.

Performance Graph

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") for the five most recently completed fiscal years. The graph illustrates the cumulative return on a C\$100 investment in Common Shares made on September 30, 2005 as compared with the cumulative return on a C\$100 investment in the S&P/TSX Index made on the same date. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



Year ended September 30	2005	2006	2007	2008	2009	2010
Orvana Minerals Corp.	C\$100.00	C\$62.93	C\$87.07	C\$50.00	C\$76.72	C\$232.76
S&P/TSX Composite Index	C\$100.00	C\$106.81	C\$128.03	C\$106.73	C\$103.48	C\$112.32

The Compensation and Nominating Committee is of the view that the trend in the Company's share price during the 2010 fiscal year shown in the performance graph is consistent with the trend in the Company's compensation to executive officers during that period.

Summary Compensation Table

The following table sets forth information concerning the compensation earned from the Company and any of the Company's subsidiaries by each person who was a Named Executive Officer of the Company during the fiscal year ended September 30, 2010. Salaries for the Named Executive Officers of the Company are paid in United States dollars with the exception of Messrs. Horst and King who are paid in Canadian dollars. For reporting purposes in the Summary Compensation Table for the year ended September 30, 2010, Messrs. Horst and King's salaries, RSUs, annual incentive bonuses and other compensation have been converted to United States dollars at the exchange rate of C\$1.00 = US\$0.97180 (based on the Bank of Canada closing rate for September 30, 2010).

Name and principal position	Year	Salary (\$)	Share-based award (\$) ⁽⁴⁾	Option-based awards (\$) ⁽⁵⁾	Non-equity Incentive plan compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plan ⁽⁴⁾	Long-term incentive plans			
Roland Horst ⁽¹⁾ Chief Executive Officer	2010	184,237	87,392	512,035 ⁽⁶⁾	87,392	Nil	Nil	Nil	871,056
Carlos Mirabal ⁽⁷⁾ President and Chief Operating Officer	2010	225,000	151,875	Nil	151,875	Nil	Nil	Nil	528,750
	2009	225,000	114,638	Nil	114,638	Nil	Nil	4,693	458,969
Malcolm King ⁽²⁾⁽⁷⁾ Vice President and Chief Financial Officer	2010	214,185	94,081	Nil	94,081	Nil	Nil	5,090	407,437
	2009	199,870	69,605	Nil	69,605	Nil	Nil	9,127	348,207
Bill Williams ⁽⁷⁾ Vice President, Corporate Development	2010	205,000	101,065	171,507 ⁽⁶⁾	101,065	Nil	Nil	30,000	608,637
	2009	183,750	78,236	Nil	78,236	Nil	Nil	20,833	361,055
Donald Gray ⁽³⁾ Vice President, Mining	2010	124,314	Nil	79,319	Nil	Nil	Nil	71,971	275,604

- (1) Mr. Horst joined the Company effective March 1, 2010 as Chief Executive Officer and prior to his joining Mr Mirabal was Chief Executive Officer. Mr. Mirabal continues as President and Chief Operating Officer. The amounts included above for Mr. Horst are paid in Canadian dollars as salary of C\$189,583, RSUs of C\$89,928 and bonus of C\$89,928.
- (2) For Mr. King, these amounts are paid in Canadian dollars as salary of C\$220,400, RSUs of C\$96,811, bonus of C\$96,811 and benefits of C\$5,238 in fiscal 2010 and as salary of C\$214,000, RSUs of C\$74,526, bonus of C\$74,526 and benefits of C\$9,733 for fiscal 2009.
- (3) Mr. Gray joined the Company effective February 19, 2010, but tendered his resignation effective October 31, 2010. The amount under "All other Compensation" consists of \$60,000 for a bonus paid upon joining Orvana and \$11,971 for an allowance in lieu of health benefits and insurance.
- (4) These amounts represent the amount in US\$ of RSUs granted to the respective Named Executive Officers.
- (5) These amounts represent the US\$ grant date fair value of stock options granted to the respective officers. The methodology used to calculate these amounts was the Black-Scholes model and the following assumptions: for Mr. Horst's 500,000 stock options granted on March 1, 2010, volatility of 58.98%, dividend yield of nil, interest rate of 2.24%, expected life of 5 years, exercise price of C\$1.01 and US\$/C\$ foreign exchange rate of 0.9596; Mr Gray's 150,000 stock options granted on February 20, 2010, volatility of 59.0%, dividend yield of nil, interest rate of 2.30%, expected life of 5 years, exercise price of C\$1.06 and US\$/C\$ foreign exchange of 0.9597. For the stock options granted on December 10, 2010 to Mr. Horst and Mr. Williams of 150,000 and 100,000 stock options respectively, the assumptions are: volatility of 59.06%, dividend yield of nil, interest rate of 2.34%, expected life of 5 years, exercise price of C\$3.65 and US\$/C\$ foreign exchange rate of 0.9908. This is consistent with the accounting values used in the Company's financial statements for the year ended September 30, 2010.
- (6) On December 10, 2010, subsequent to the end of the fiscal 2010 year, 150,000 additional stock options were granted to Mr. Horst and 100,000 additional stock options were granted to Mr. Williams in recognition of their performance in fiscal 2010.
- (7) For the 2011 fiscal year, starting on October 1 2010, the base compensation of Messrs. Mirabal, King and Williams was increased to US\$250,000, C\$235,000 and US\$225,000, respectively.

Incentive Plan Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as of September 30, 2010.

Outstanding Share-based Awards and Option-based Awards

Option-based Awards				Share-based Awards		
Name	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 (\$) ⁽²⁾⁽³⁾
Roland Horst ⁽⁵⁾	500,000	C\$1.01	March 1, 2015	\$821,171	300,000	\$294,455
Carlos Mirabal	200,000	C\$0.60	December 14, 2011	408,156	Nil	Nil
Malcolm King	150,000	C\$0.89	June 23, 2011	263,844	Nil	Nil
	50,000	C\$0.60	December 14, 2011	102,039	Nil	Nil
Bill Williams ⁽⁵⁾	150,000	C\$0.75	March 3, 2013	284,252	Nil	Nil
Donald Gray	150,000	C\$1.06	February 20, 2015	239,063	100,000 ⁽⁴⁾	103,011 ⁽⁴⁾

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2010 of C\$2.70 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2010 of C\$2.70. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.97180
- (4) Mr. Gray tendered his resignation effective October 31, 2010 and these unvested stock options were subsequently forfeited.
- (5) On December 10, 2010, subsequent to the end of the 2010 fiscal year the Company granted additional stock options to Mr. Horst to acquire 150,000 Common Shares and to Mr. Williams to acquire 100,000 Common Shares and these stock options are not included in this table.

The following Table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the fiscal year ended September 30, 2010.

Value Vested or Earned under Incentive Plan Awards during Fiscal Year ended September 30, 2010

Name	Option-based awards – Value vested during the year (\$) ⁽⁵⁾	Share-based awards – Value vested during the year (\$) ⁽⁴⁾⁽⁵⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Roland Horst	\$ 1,944 ⁽¹⁾	Nil	\$ 87,392 ⁽⁵⁾
Carlos Mirabal	Nil ¹	Nil	151,875
Malcolm King	Nil	Nil	94,081 ⁽⁵⁾
Bill Williams	13,119 ⁽²⁾	Nil	101,065
Donald Gray	Nil ⁽³⁾	Nil	Nil

- (1) Calculated using the closing price of the Common Shares on the TSX on March 1, 2010 of C\$1.02 (the vesting date of these stock options) and subtracting the exercise price of C\$1.01 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

- (2) Calculated using the closing price of the Common Shares on the TSX on March 3, 2010 of C\$1.02 (the vesting date of these stock options) and subtracting the exercise price of C\$0.75 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Calculated using the closing price of the Common Shares on the TSX on February 22, 2010 of C\$1.03 (the vesting date of these stock options was February 20, 2010 which was a Saturday) and subtracting the exercise price of C\$1.06 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (4) Calculated using the closing price of the Common Shares on the TSX on September 30, 2010 of C\$2.70.
- (5) Converted to United States dollars at the September 30, 2010 Bank of Canada closing exchange rate of C\$1.00 = US\$0.97180.

Stock Options

During the 2010 fiscal year, the Company granted stock options to certain senior executives in connection with their joining the Company, to acquire an aggregate of 650,000 Common Shares. Mr. Horst was granted stock options to acquire 500,000 Common Shares and Mr. Gray was granted stock options to acquire 150,000 Common Shares. Mr. Gray tendered his resignation effective October 31, 2010, subsequent to the fiscal year end, and upon his resignation from the Company, he forfeited his 100,000 unvested stock options. For more details on the stock options refer to section under the heading of “Elements of Executive Compensation – Stock Options” above.

On December 10, 2010, subsequent to the end of the 2010 fiscal year, the Company granted additional stock options to Mr. Horst to acquire 150,000 Common Shares and Mr. Williams to acquire 100,000 Common Shares.

Details regarding the RSU Plan, RSUs, the process for awarding RSUs and RSU awards for the fiscal year ended September 30, 2010 are provided above under the heading “— Executive Compensation — Compensation Discussion and Analysis — Elements of Executive Compensation — Restricted Share Units”, “— How the Corporation Determines Executive Compensation” and “— Compensation Decisions for the Year Ended September 30, 2010” and below under the heading “— Termination and Change of Control Benefits”.

Termination and Change of Control Benefits

The Company or one of its affiliates has entered into an agreement with each of the Named Executive Officers that sets out the terms of his employment, including the executive’s entitlements in the event of the cessation of such employment.

Mr. Horst, the Company’s Chief Executive Officer, has an employment agreement with the Company. Under the terms of this agreement, in the event of the termination of Mr. Horst’s employment by the Company without cause, Mr. Horst is entitled to receive a payment equal to twelve months’ base salary. Based on his base salary for the 2010 fiscal year, at September 30, 2010, Mr. Horst was entitled to receive a total payment of US\$315,835 (C\$325,000) in the event of the termination of his employment without cause.

Mr. Mirabal, the Company’s President and Chief Operating Officer, has an employment agreement with Empresa Minera Paititi S.A. (“EMIPA”), a wholly-owned subsidiary of the Company. Under the terms of this agreement, in the event of the termination of Mr. Mirabal’s employment by EMIPA without cause, Mr. Mirabal is entitled to receive a payment equal to three months’ base salary. Under Bolivian law, Mr. Mirabal would also be entitled to receive a payment equal to seven months’ base salary. Based on his base salary for the 2010 fiscal year, at September 30, 2010, Mr. Mirabal was entitled to receive a total payment of \$187,500 in the event of the termination of his employment without cause. In the event that Mr. Mirabal resigns from his employment, under Bolivian law, he would be entitled to receive a payment equal to four months’ base salary. Based on his base salary for the 2010 fiscal year, at September 30, 2010, Mr. Mirabal was entitled to receive a payment of \$75,000 in the event that he resigns.

Mr. King, the Company's Vice President and Chief Financial Officer, has an employment agreement with the Company. Under the terms of this agreement, in the event of the termination of Mr. King's employment by the Company without cause, or if Mr. King terminates his employment with the Company within six months following either a change of control of the Company or an event constituting good reason under the terms of his employment agreement, Mr. King is entitled to receive a payment equal to 18 months' base salary. In the event that Mr. King is unable to perform his duties for 180 days out of any consecutive 12-month period, the Company may choose to terminate his employment. In the event of such a termination, the Company will be required to pay Mr. King an amount equal to six months' base salary. Based on his base salary for the 2010 fiscal year, at September 30, 2010, Mr. King was entitled to receive a payment of US\$321,277 (C\$330,600) in the event of the termination of his employment by the Company without cause or by Mr. King following a change of control or for good reason and a payment of US\$107,092 (C\$110,200) in the event of the termination of his employment due to disability.

Mr. Williams, the Company's Vice President, Corporate Development, has an employment agreement with Orvana Resources US Corp., a wholly-owned subsidiary of the Company. Under the terms of this agreement, in the event of the termination of Mr. Williams' employment by Orvana Resources US Corp. without cause, Mr. Williams is entitled to receive a payment equal to 12 months' base salary. In the event that Mr. Williams is unable to perform his duties for 180 days out of any consecutive 12-month period, Orvana Resources US Corp. may choose to terminate his employment. In the event of such a termination, Orvana Resources US Corp. will be required to pay Mr. Williams an amount equal to four months' base salary. Based on his base salary for the 2010 fiscal year, at September 30, 2010, Mr. Williams was entitled to receive a payment of \$205,000 in the event of the termination of his employment without cause and a payment of \$68,333 in the event of the termination of his employment due to disability.

Mr. Gray, the Company's former Vice President, Mining, had an employment agreement with the Company. Under the terms of this agreement, in the event of the termination of Mr. Gray's employment by the Company without cause, he would have been entitled to receive a payment equal to 12 months' base salary. Mr. Gray tendered his resignation effective October 31, 2010 and is not entitled to any further payments.

The following terms apply to the treatment of stock options held by each of the Named Executive Officers. In the event of termination of employment for cause, all vested and unvested stock options are terminated. In the event of termination of employment without cause, due to the executive's death or disability or as a result of the executive's resignation, stock options vested at or prior to termination (including termination due to disability) may be exercised at any time prior to the earlier of (i) 12 months following termination, and (ii) the scheduled expiry date.

In addition, (i) in the event of certain transactions constituting a change of control of the Company, any of the 500,000 stock options granted to Mr. Horst on March 1, 2010 that are then unvested shall become fully-vested, and (ii) with respect to the 150,000 stock options granted to Mr. Williams on March 3, 2008, in the event of certain transactions constituting a change of control or reorganization of the Company, (a) the Company may accelerate the vesting of any unvested stock options and, following a 30-day period, cause any remaining unexercised stock options to expire, (b) the Company or any successor may offer the opportunity to exchange the stock options for options to acquire any securities into which the Common Shares have been changed or converted, or (c) the stock options may be exercised without regard to the vesting dates for the purpose of including the Common Shares issuable thereunder in such transaction, provided that if the transaction is not completed, the stock options shall be deemed to have not been exercised.

The following terms apply to the treatment of RSUs held by each of the Named Executive Officers. In the event of termination of employment for cause, all vested and unvested RSUs are forfeited. In the event of an executive's resignation or the termination of an executive's employment due to disability or

retirement, all RSUs that remain unvested as at the date of termination of employment shall be forfeited and cancelled. In the event of the termination of an executive's employment without cause or upon the executive's death, all unvested RSUs shall vest and the executive, or the executive's estate, shall be entitled to a payment in respect of the vested RSUs that reflects the proportion that the period between the grant date and the date of termination of employment is of the period between the grant date and the scheduled vesting date. As no RSUs were vested on or before September 30, 2010, as at that date, no Named Executive Officer was entitled to an incremental payment in respect of RSUs as a result of termination of employment without cause or upon the executive's death.

DIRECTOR COMPENSATION

Fees and Expenses

From October 1, 2009 to September 30, 2010, non-management directors received annual fees of \$14,577 (C\$15,000), with the exception of the Chairman of the Board who received an annual fee of \$116,616 (C\$120,000). In addition to the annual fees, each non-management director received a fee of \$1,458 (C\$1,500) for each board or Committee meeting attended in person, and a fee of \$729 (C\$750) for each meeting attended by telephone. The chairmen of the Audit Committee and the Compensation and Nominating Committee each received an additional annual fee of \$4,859 (C\$5,000) for serving in such capacity. All reasonable expenses incurred by directors in attending meetings of the board of directors, Committee meetings or shareholder's meetings, together with all expenses properly and reasonably incurred by directors in the conduct of the Company's business or in the discharge of directors' duties, were paid by the Company. Where round trip travel to attend meetings exceeds six hours these directors are entitled to an additional fee of \$1,458 (C\$1,500) per trip.

Deferred Share Units

The Company adopted its Deferred Share Unit Plan for Directors ("DSU Plan") with effect from October 1, 2008, and amended the DSU Plan as of October 23, 2009. The purposes of the DSU Plan are: (i) to promote a greater alignment of interests between directors of the Company and the shareholders of the Company; (ii) to provide a compensation system for directors that, together with the other director compensation mechanisms of the Company, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various Committees of the Board; (iii) to assist the Company to attract and retain individuals with experience and ability to act as directors; and (iv) to allow directors of the Company to participate in the long-term success of the Company.

Annually, each director who is not an executive of the Company shall receive a grant of deferred share units ("DSUs") under the DSU Plan. The number of DSUs to be credited to a director shall be the result of multiplying (i) the number determined by dividing (A) C\$15,000 (or such other amount as may be determined by the Board) by (B) the average closing price for Common Shares on the TSX on the five trading days immediately prior to October 1, by (ii) the number determined by dividing (A) the number of days the director has served on the Board since the immediately preceding October 1 and up to the applicable October 1 by (B) 365 or, in the case of a leap year, 366, which fraction, for greater certainty, cannot be greater than one. Grants of DSUs are effective on October 1 of each year and are fully vested upon being credited to a director's account.

A director may elect up to two separate dates as of which either a portion (specified in whole percentages or number of DSUs on any one date) or all of the DSUs credited to the director's account shall be redeemed by the director (or if the director is deceased, by his or her beneficiary), provided that no redemption date shall be prior to the date on which the director ceases to be a director of the Company or later than December 15 of the first calendar year commencing immediately after the date on which the

director ceases to act as a director of the Company. Where a director does not elect a particular date or dates for redemption of his or her DSUs, there shall be a single redemption date six months after the date on which the director ceases to act as a director of the Company. The value of each DSU redeemed by or in respect of a director shall be the average closing price for Common Shares on the TSX on the five trading days immediately prior to such redemption date and shall be paid by the Company to the director (or if the director is deceased, to the director's beneficiary) in the form of a lump sum cash payment, less any applicable withholding taxes, as soon as practicable after such redemption date.

Stock Options

It is the Company's policy to grant stock options to directors in connection with their initial appointment to the Board. The purpose of these awards is to assist in attracting talented directors to the Board. Stock options are granted under the 2006 Stock Option Plan and have an exercise price of not less than the volume-weighted average trading price of Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the shares shall be issuable under a stock option within 12 months of the grant date. Stock options expire not later than the fifth anniversary of the date on which they are granted. Additional stock options may be granted to directors after the expiry of their initial stock options granted upon joining the Board, in recognition of (i) longevity of service to the Board and (ii) an important component of ongoing director compensation to enhance their alignment with maximizing shareholder value.

During the fiscal year ended September 30, 2010, the Company granted directors stock options to acquire an aggregate of 275,000 Common Shares in connection with their appointment to the board. Mr. Gilbert was granted stock options to acquire 150,000 Common Shares and Mr. Szasz was granted stock options to acquire 125,000 Common Shares. In addition, on December 10, 2010, subsequent to the end of the fiscal year, Mr. Mitchell was granted options to acquire 150,000 Common Shares due to the fact that, during the 2010 fiscal year, he exercised stock options previously granted to him as a director just prior to their expiration.

Director Compensation Table

The following table provides information regarding compensation paid to the Company's directors (other than directors who are Named Executive Officers) for the fiscal year ended September 30, 2010. All directors fees are paid in Canadian dollars and have been converted to United States dollars for reporting purposes at September 30, 2010 using the exchange rate of C\$1.00 = US\$0.97180 (based on the Bank of Canada closing rate at September 30, 2010).

Name	Fees earned (\$)	Share-based awards (\$) ⁽¹⁾⁽⁵⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	All other compensation (\$) ⁽⁴⁾	Total (\$)
Dr. Peter Bradshaw	43,002	14,577	Nil	Nil	4,373	61,952
Dr. Richard H.T. Garnett	30,612	9,185	Nil	Nil	Nil	39,797
James Gilbert	Nil	1,598	64,383	Nil	Nil	65,981
C. Kent Jespersen	108,453	14,577	Nil	Nil	Nil	123,030
J. Robert Logan	48,104	14,577	Nil	Nil	4,373	67,054
Robert A. Mitchell, C.A	47,375	14,577	257,261 ⁽³⁾	Nil	Nil	319,213
Jorge Szasz	Nil	Nil	61,156	Nil	Nil	61,156

(1) These amounts represent the US\$ value for DSUs granted to directors on October 1, 2009.

(2) These amounts represent the US\$ grant date fair value of stock options granted to the respective directors. The methodology used to calculate these amounts was the Black-Scholes model and the following assumptions were used for Mr. Gilbert's 150,000 stock options granted on October 23, 2009 – volatility of 58.94%, dividend yield of nil, interest of 2.50%, expected life of 5 years, and US\$/C\$ foreign exchange of 0.9517; for Mr. Mitchell's 150,000 stock options granted on December 10, 2010 – volatility of 59.06%, dividend yield of nil, interest of 2.34%, expected life of 5 years, and US\$/C\$ foreign exchange of 0.9908; and for Mr. Szasz's stock options granted on February 26, 2010 – volatility of 58.98%, dividend yield of nil, interest of 2.20%, expected life of 5 years and foreign exchange of 0.9500. This is consistent with the accounting values used in the Company's financial statements for the year ended September 30, 2010.

(3) On December 10, 2010, subsequent to the fiscal year end, 150,000 additional stock options were granted to Mr. Mitchell.

(4) These amounts were paid to Mr. Bradshaw and Mr. Logan related to additional consulting work with respect to financing and acquisition due diligence.

(5) Converted to United States dollars at the September 30, 2010 Bank of Canada closing exchange rate of C\$1.00 = US\$0.97180

Share-based Awards and Option-based Awards

The following table provides information regarding all share-based awards and option-based awards to each of the Company's directors (other than directors who are Named Executive Officers) outstanding as of September 30, 2010. The Company does not have a non-equity incentive compensation plan for its directors.

Outstanding Share-based Awards and Option-based Awards

Option-based Awards					Share-based Awards	
Name	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 (\$) ⁽²⁾⁽³⁾
Dr. Peter Bradshaw	125,000	C\$0.89	June 23, 2011	\$219,870	Nil	Nil
	25,000	C\$0.69	August 8, 2012	48,833	Nil	Nil
Dr. Richard H.T. Garnett	150,000	C\$0.64	March 5, 2014	300,286	50,000	31,098
James Gilbert	150,000	C\$0.88	October 23, 2014	265,301	100,000	85,518
C. Kent Jespersen	175,000	C\$0.81	December 3, 2012	321,423	Nil	Nil
J. Robert Logan	150,000	C\$0.81	December 3, 2012	275,505	Nil	Nil
Robert A. Mitchell, C.A. ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil
Jorge Szasz	125,000	C\$1.01	February 26, 2015	205,293	83,333	81,793

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2010 of C\$2.70 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on September 30, 2010 of C\$2.70. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.97180.
- (4) On December 10, 2010, subsequent to the fiscal year end, 150,000 additional stock options were granted to Mr. Mitchell.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Company's directors (other than directors who are Named Executive Officers) for the fiscal year ended September 30, 2010.

**Value Vested or Earned under Incentive Plan Awards during
Fiscal Year ended September 30, 2010**

Name	Option-based awards – Value vested during the year (\$) ⁽⁵⁾	Share-based awards – Value vested during the year (\$) ⁽⁴⁾⁽⁵⁾	Non-equity Incentive plan compensation – Value earned during the year (\$)
Dr. Peter Bradshaw	Nil	\$14,577	Nil
Dr. Richard H.T. Garnett	\$20,408 ⁽¹⁾	\$9,185	Nil
James Gilbert	Nil ⁽²⁾	\$1,598	Nil
C. Kent Jespersen	14,739 ⁽³⁾	\$14,577	Nil
J. Robert Logan	12,633 ⁽³⁾	\$14,577	Nil
Robert A. Mitchell, C.A	Nil	\$14,577	Nil
Jorge Szasz	Nil	Nil	Nil

- (1) Calculated using the closing price of the Common Shares on the TSX on March 5, 2010 of C\$1.06 (the vesting date of these stock options) and subtracting the exercise price of C\$0.64 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on October 23, 2009 of C\$0.87 (the vesting date of these stock options) and subtracting the exercise price of C\$0.88 of these vested stock options. These stock options were not "in-the-money" on their vesting date. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Calculated using the closing price of the Common Shares on the TSX on December 3, 2009 of C\$1.07 (the vesting date of these stock options) and subtracting the exercise price of C\$0.81 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (4) These amounts represent the US\$ value for DSUs granted to directors of C\$15,000 at their grant date of October 1, 2009 and are prorated based on the number of days the director had served as a director during year.
- (5) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.97180.

The number of DSUs held at September 30, 2010 by each of Peter Bradshaw, Kent Jespersen, Robert Logan, and Robert Mitchell were 41,798 units, and were valued at \$109,672 (C\$112,855) based on the closing price of the Common Shares of C\$2.70 at September 30, 2010. The number of units held at September 30, 2010 by Mr. Garnett, Mr. Gilbert and Mr. Szasz were 10,741 units, 1,868 units and zero units respectively. Mr. Garnett's units were valued at \$28,183 (C\$29,001) and Mr. Gilbert's units were valued at \$4,902 (C\$5,044) based on the closing price of C\$2.70 at September 30, 2010.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out certain information as at September 30, 2010 regarding the Company's 1996 Stock Option Plan and 2006 Stock Option Plan and the stock options issued thereunder as well as inducement options issued outside of these shareholder-approved plans.

Equity Compensation Plan Information

Plan Category	Number of Common Shares 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 Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Common Shares reflected in column (a)) (c)
Equity Compensation Plans Approved by Shareholders	2,530,000	C\$0.91	3,470,000
Equity Compensation Plans Not Approved by Shareholders	150,000	C\$0.75	Nil
Total	2,680,000	C\$0.91	3,470,000

Following shareholder approval of the adoption of the 2006 Option Plan at the Company's 2005 Annual and Special Meeting of Shareholders, no further options have been, or will be, granted under the 1996 Stock Option Plan.

In connection with Mr. Williams joining the Company on March 3, 2008, he was awarded stock options to acquire 150,000 Common Shares as an inducement to become an employee of the Company. These stock options were awarded outside of the 2006 Option Plan and will expire on March 3, 2013. Additional information about termination and change of control terms of these stock options is described above under the heading "Executive Compensation – Stock Options".

INSURANCE COVERAGE

The directors and officers of the Company are covered under a directors' and officers' insurance policy that provides aggregate coverage of C\$50 million, subject to a deductible of C\$50,000, for the policy year that commenced December 10, 2009 through December 9, 2010, with an annual premium of C\$195,000.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their Committees and the effectiveness and education of board members. As it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance with the Guidelines, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires the disclosure by each listed corporation of

its approach to corporate governance with reference to the Guidelines. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

The Board of Directors

The National Instrument defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the board of directors considers the factual circumstances of each director in the context of the Guidelines.

The Board is currently comprised of nine members, a majority of whom are "independent directors" within the meaning of the National Instrument. The five independent directors are C. Kent Jespersen (Chairman), Dr. Peter Bradshaw, Dr. Richard Garnett, J. Robert Logan and Robert Mitchell. Roland Horst is the Company's Chief Executive Officer and Carlos Mirabal is the Company's President and Chief Operating Officer and, therefore, are not independent. James Gilbert is considered to have a material relationship with the Company by virtue of his position as the President and Chief Executive Officer of Minera S.A. and, therefore, is not independent. Jorge Szasz is considered to have a material relationship with the Company's indirect parent due to a long-term consulting relationship and, therefore, is not independent.

The Chairman of the Board, C. Kent Jespersen, is an independent director. The role of the Chairman is to assume the leadership of the Board and, with the Compensation and Nominating Committee, the Audit Committee and the Safety, Health and Environment Committee, to foster and preserve the independence of the Board. The Chairman's responsibilities include chairing all meetings of directors, providing leadership to the Board, managing the Board, acting as a liaison between the Board and management of the Company, and representing the Company. The Board's written mandate requires the Board to hold at least two meetings per year (either regularly scheduled or unscheduled) at which management of the Company is not present, and, at any time that the Chairman of the Board is not independent, to consider other possible steps and processes to ensure that leadership is provided to the Board's independent directors. A meeting of the independent directors in the absence of non-independent directors and members of management was held on December 11, 2009, February 12, 2010, May 14, 2010 and August 13, 2010. In addition, on several other occasions, the independent directors have held informal discussions among themselves in the absence of non-independent directors and members of management.

Since October 1, 2009, the Company has held 17 directors' meetings. All directors attended all 17 meetings, except that: Dr. Peter Bradshaw was absent from the meeting held on February 12, 2010; Richard Garnett was absent from the meetings held on October 16, 2009, October 23, 2009, November 19, 2009, November 25, 2009 and May 31, 2010; James Gilbert was absent from the meetings held on October 16, 2009, April 1, 2010 and July 7, 2010; Carlos Mirabal and Jorge Szasz were absent from the meeting held on May 31, 2010; and Robert Mitchell was absent from the meeting held on February 20, 2010.

Currently, the directors listed below serve as directors on the boards of directors of other public companies.

<u>Director</u>	<u>Public Company</u>
Dr. Peter Bradshaw	Aquila Resources Inc. First Point Minerals Corp.
James Gilbert	AQM Copper, Inc.
Roland Horst	Victory Nickel Inc. Wallbridge Mining Company Limited
C. Kent Jespersen	Axia Net Media Corporation CanElson Drilling Inc. Orion Oil & Gas Corporation PetroFrontier Corp. Rodina Oil Corp. TransAlta Corporation
J. Robert Logan	Carmanah Technologies Corp. CanElson Drilling Inc. Edleun Group Inc.
Robert Mitchell	Home Capital Group Inc. Acuity Funds Inc. (as manager of exchange listed funds)

Board Mandate

The Board has a written mandate to set the strategic direction of the Company and to oversee its implementation by management of the Company. A copy of the Board mandate is set forth in Schedule “A” to this Circular.

Position Descriptions

The board of directors has developed written position descriptions and corporate objectives for the Chairman of the Board and the President and Chief Executive Officer in order to delineate their respective roles and responsibilities. The board of directors has not to date developed formal position descriptions for the chairmen of Committees of the board of directors, as the responsibilities of those positions are generally delineated in the charters of such Committees.

Orientation and Continuing Education

While the Company currently has no formal program to orient new directors to the role of the Board, its Committees and its directors and the nature and operation of the Company’s business, it has been the Company’s practice for new directors to be thoroughly briefed by management and to be provided the opportunity to discuss with management, both formally and informally, the Company’s activities. New directors are provided with copies of relevant policies and similar materials to ensure that they are familiarized with the procedures of the Board. The Board actively encourages each director to attend at least one industry trade show and associated educational program each year. The Compensation and Nominating Committee has responsibility for overseeing development of any orientation programs for new directors. That Committee also oversees the development of any director development programs.

Although the Company does not have a formal program for the continuing education of directors, the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company by scheduling presentations to the Board from time to time to educate directors and keep them informed of developments within the Company and of disclosure and governance requirements and standards.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics for the Company's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Company. A copy of the code may be obtained at www.orvana.com. The Board has established confidential reporting procedures in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the code of business conduct and ethics may face disciplinary actions, including dismissal.

Subject to certain exceptions prescribed under the *Business Corporations Act* (Ontario) (the "OBCA"), a director who is a party to a material contract or proposed material contract with the Company or who is a director or officer of a party to such a contract or otherwise has a material interest in a party to such a contract must disclose the nature and extent of the director's interest to the Company and any material change in that interest. The Company's code of business conduct and ethics and the OBCA also provides that, subject to certain exceptions prescribed under the OBCA, the interested director shall not attend any part of a meeting of directors during which the matter in which the director has a material interest is discussed and shall not vote on any resolution to approve such matter.

Safety, Health and Environment Committee

The board of directors has established a Safety, Health and Environment Committee comprised of three directors of the Company, Dr. Peter Bradshaw, Dr. Richard Garnett and Jorge Szasz. The purpose of the Safety, Health and Environment Committee is to: review safety, health and environmental policies and programs; to oversee Orvana's safety, health and environmental performance; to monitor current and future regulatory issues and to make recommendations, where appropriate, on significant matters in respect of safety, health and environmental matters to the Board.

Audit Committee

The board of directors has established an Audit Committee comprised of three directors of the Company, Robert Mitchell (Chairman), Dr. Peter Bradshaw and J. Robert Logan, all of whom are independent and financially literate for purposes of Multilateral Instrument 52-110 – *Audit Committees*. The responsibilities and operation of the Audit Committee are described in the Company's Annual Information Form dated December 20, 2010 on pages 46 and 47 under the heading "Audit Committee Disclosure" and in the copy of the Audit Committee Charter attached thereto as Appendix A, a copy of which is available on SEDAR at www.sedar.com.

Nomination of Directors

The Compensation and Nominating Committee is comprised of James Gilbert (Chairman), Dr. Richard Garnett, J. Robert Logan and Jorge Szasz. Dr. Garnett and Mr. Logan are independent directors of the Company and Messrs. Gilbert and Szasz are not independent of the Company. In general terms, the Committee's responsibilities include (i) reviewing the compensation and performance of the Chief Executive Officer, (ii) determining compensation of directors and other officers, (iii) identifying potential candidates to become Board members, and (iv) evaluating the performance of the Board, Committees of the Board and individual directors.

There are no specific criteria for Board membership, however, the Company attempts to attract and retain directors with an understanding of the Company's business and a particular knowledge of mineral exploration and development or other areas (such as accounting and finance) which provide knowledge which would assist in guiding the officers of the Company. Nominations are put forward to the Board by the Compensation and Nominating Committee, together with the relevant information for the Board's consideration.

Compensation

The Compensation and Nominating Committee is responsible for, among other things, periodically reviewing and recommending to the directors appropriate levels of compensation for directors and senior management. The process by which executive compensation is established is described above under the heading "Executive Compensation – Compensation Discussion and Analysis".

The Compensation and Nominating Committee reviews periodically the adequacy and form of compensation of directors, including in relation to directors of similar companies, to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director.

Assessments

The responsibilities of the Compensation and Nominating Committee include assessing, on a periodic basis, the contributions of the Board as a whole, the Audit Committee, the Compensation and Nominating Committee, and each of the individual directors, in order to determine their effectiveness and contribution to the Company. The Board adopted a formal process in 2008 for annually evaluating the effectiveness of the Board, its Committees, and the Chairman of the Board. This process includes the completion of questionnaires by each member of the board of directors.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on www.sedar.com. Financial information regarding the Company is contained in the Company's comparative audited consolidated financial statements for the year ended September 30, 2010 and management's discussion and analysis of results of operations and financial condition ("MD&A"). The Company will provide the Company's audited consolidated financial statements and MD&A to any shareholder, upon request to Natalie Frame, Investor Relations, who may be contacted at (289) 200-7640.

DIRECTORS' APPROVAL

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

Dated as of January 13, 2011.

By order of the board of directors

A handwritten signature in black ink, appearing to read "Kent Jespersen", with a long horizontal flourish extending to the right.

Name: C. Kent Jespersen

Title: Chairman

SCHEDULE "A"

BOARD OF DIRECTORS MANDATE

ORVANA MINERALS CORP.

BOARD OF DIRECTORS MANDATE

ADOPTED BY THE BOARD OF DIRECTORS

November 11, 2005

ORVANA MINERALS CORP.

BOARD OF DIRECTORS MANDATE

1. Purpose

The Board of Directors (the “**Board**”) of Orvana Minerals Corp. (the “**Corporation**”) has a duty to supervise the management of the business and affairs of the Corporation. The Board, directly and through its Boards and its Chair, shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

2. Membership

All matters concerning the membership and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; residency requirements; quorum requirements; meeting procedures; appointment of a chair; and notices of meetings) are as established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.

At least annually, the Board shall, with the assistance of the Compensation and Nominating Committee, determine the independence of each director based on the definition of independence contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the independence of each Audit Committee member based on the definition of independence in National Instrument 52-110 – *Audit Committees*. It shall be an objective that at least a majority of the directors shall be independent as determined in accordance with NI 58-101, and if at any time less than a majority of directors are independent, the Board shall consider possible steps and processes to facilitate its exercise of independent judgement in carrying out its responsibilities.

If at any time the Chair of the Board is not independent, the Board shall consider possible steps and processes to ensure that leadership is provided for the Board’s independent directors.

3. Functions and Responsibilities

The Board shall have the functions and responsibilities set out below. In addition to these functions and responsibilities, the Board shall perform such duties as may be required by the binding requirements of any stock exchanges on which the Corporation’s securities are listed and all other applicable laws.

- (a) **Strategic Planning** — The Board shall periodically review and, if advisable, approve the Corporation’s strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, risk issues, and significant business practices and products. At least annually, the Board shall review management’s implementation of the Corporation’s strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.
- (b) **Risk Management** — The Board shall, with the assistance of the Audit Committee, periodically:
 - (i) identify the risks inherent in the business of the Corporation and review and approve management’s risk philosophy and risk management policies necessary to address, as much as reasonably possible, those identified risks and
 - (ii) review management reports demonstrating compliance with risk management policies and confirm that management has taken reasonable steps to ensure compliance with standards.

- (c) **Controls and Systems** — The Board shall, with the assistance of the Audit Committee, verify that internal, financial, non-financial and business control, information systems and data security procedures have been established by management and that the Corporation is applying appropriate standards of corporate conduct for these controls.
- (d) **Human Resources** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation’s approach to human resource management and executive compensation and (ii) review succession plans for the Chairman of the Board, the Chief Executive Officer and senior management of the Corporation.
- (e) **Corporate Governance** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation’s approach to corporate governance; (ii) evaluate the Board’s ability to act independently from management in fulfilling its duties; (iii) review reports provided by management relating to compliance with, or material deficiencies of, the Corporation’s Code of Business Conduct and Ethics; and (iv) satisfy itself as to the culture of integrity within the Corporation and of the executive officers of the Corporation.
- (f) **Financial Information** — The Board shall, with the assistance of the Audit Committee, periodically: (i) review the Corporation’s internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls and (ii) review the integrity of the Corporation’s financial information and systems, the effectiveness of internal controls and management’s assertions on internal control and disclosure control procedures.
- (g) **Communications** — The Board in conjunction with the Chief Executive Officer shall periodically review the Corporation’s overall communications strategy, including measures for receiving feedback from the Corporation’s shareholders.
- (h) **Disclosure** — The Board shall periodically review management’s compliance with the Corporation’s disclosure policies and procedures. The Board shall, if advisable, approve material changes to the Corporation’s disclosure policies and procedures.

4. **Committees of the Board**

- (a) **Committees Established** — The Board has established an Audit Committee and a Compensation and Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
- (b) **Committee Charters** — The Board has approved charters for each Board committee and shall approve charters for any new Board committee. Each charter shall be reviewed periodically, and, based on recommendations of the relevant committee and the Chairman of the Board, be approved by the Board.
- (c) **Delegation to Committees** — The Board has delegated for approval or review the matters set out in each Board committee’s charter and may further delegate matters to such committees from time to time. As required, the Board shall consider for approval the specific matters delegated for review to Board committees.
- (d) **Committee Reporting to Board** — To facilitate communication between the Board and its committees, each committee Chair shall provide a report to the Board on material matters considered by the committee at the next Board meeting after each meeting of the committee.

5. Meetings

- (a) **General** — The rules and regulations relating to the calling and holding of and proceedings at meetings of the Board shall be those established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.
- (b) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.
- (c) **Meetings Without Management** — The Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present at least twice per year.
- (d) **Attendance and Preparedness** — Directors are expected to attend regularly scheduled Board meetings and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting. The attendance record of individual directors will be disclosed in the Corporation's proxy circular as required by NI 58-101.

6. Director Development and Evaluation

New directors shall be provided with such orientation sessions, including site visits, as the Board determines are appropriate from time to time. With the assistance of the Compensation and Nominating Committee, the Board shall periodically consider how directors may maintain the skill and knowledge necessary to meet their obligations as directors, including through continuing education programs, and evaluate and review the performance of the Board, each of its committees and each of the directors.

7. Access to Information

In its discharge of the foregoing duties and responsibilities, the Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate.

8. Independent Advisors

The Board shall have the authority to engage and terminate such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

9. Board Review of Mandate

The Board shall periodically review the adequacy of the Board's mandate. In accordance with NI 58-101, the text of this mandate shall be included in the Corporation's management information circular.