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Aura Minerals Inc.

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

TO BE HELD ON MAY 27, 2010

APRIL 22, 2010

AURA MINERALS INC.
P.O. Box 10434, Pacific Centre
#1950 – 777 Dunsmuir Street
Vancouver, B.C. V7Y 1K4

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information contained in this management information circular (“Information Circular”) is as of April 22, 2010 and references herein to “\$” are to the United States dollar. References to “C\$” are to the Canadian dollar.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Aura Minerals Inc. (“Aura Minerals” or the “Company”) for use at the annual general meeting of shareholders (the “Meeting”) of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Information Circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however, proxies may also be solicited personally by regular employees of the Company and the Company may use the services of an outside proxy solicitation agency to solicit proxies. The cost of solicitation will be borne by the Company.

The board of directors of the Company (the “Board”) has fixed April 5, 2010 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of and to vote at the Meeting. Duly completed and executed proxies must be received by the Company’s transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 no later than 8:30 a.m. (Toronto time) on May 25, 2010, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company’s transfer agent, Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 no later than 8:30 a.m. (Toronto time) on May 25, 2010, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.**

A shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder’s attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company (P.O. Box 10434 – Pacific Centre, Suite 1950 – 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K4; Attention: Corporate Secretary of Aura Minerals Inc.) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of the passing of all the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons**

named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Shareholders”) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Information Circular, the form of proxy and the supplemental mailing list return card (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1.**

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

A Non-Registered Shareholder may revoke a voting instruction form, or a waiver of the right to receive Meeting Materials and to vote, which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who is either: (a) a director or executive officer of the Company who has held such position at any time since the beginning of the last financial year; (b) a proposed nominee for election as a director of the Company; or (c) an associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

On July 23, 2009, the Company, in accordance with the previously obtained approval of its shareholders in connection therewith, effected a consolidation of all of its issued and outstanding common shares on the basis of a factor of one new common share for five previously existing common shares (the "Consolidation"). All references to common shares of the Company (the "Common Shares") herein are on a post-Consolidation basis.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of April 22, 2010, 192,164,832 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote on each matter to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting has been fixed at April 5, 2010. In accordance with the provisions of the *Canada Business Corporations Act*, the Company will prepare a list of holders of Common Shares as of such record date. Each holder of Common Shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the Meeting. All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy having been delivered to the Company's transfer agent (Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1) within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than:

Name of Shareholder	Securities Owned, Controlled or Directed	Percentage of Class of Outstanding Voting Securities of the Company ⁽¹⁾
Cyprus River Holdings Ltd. ⁽²⁾	51,968,400 Common Shares	27%

Notes:

⁽¹⁾ Based on 192,164,832 Common Shares issued and outstanding as at the date of this Information Circular.

⁽²⁾ Formerly, Santa Elina Mines Corporation.

EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- (a) the Company's Chief Executive Officer ("CEO");
- (b) the Company's Chief Financial Officer ("CFO");

- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than C\$150,000 (\$143,321¹) for the financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the financial year.

As at December 31, 2009, the end of the most recently completed financial year of the Company, the Company had the following six NEOs:

1. Patrick Downey – President and CEO
2. John (Britt) Reid – Chief Operating Officer (“COO”)
3. Fausto Taddei – CFO
4. Michele Jones – Vice President, Corporate Affairs
5. Meghan Lewis – Vice President, Corporate Development
6. Tony George – previous COO (until November 2009)

Compensation Discussion and Analysis

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, “*Executive Compensation - Summary Compensation Table*”.

Executive Compensation Objectives

For the years reported in the summary compensation table below, under the heading, “*Executive Compensation - Summary Compensation Table*”, the Company did not have a formal compensation program with set benchmarks. There was an informal program which sought to:

1. reward an executive officer’s current and future expected performance and the achievement of corporate objectives;
2. align the interests of executive officers with the interest of the Company’s shareholders; and
3. attract, retain and motivate highly skilled and experienced executive officers by providing competitive compensation.

With the acquisition of the San Andres gold mine in Honduras (the “San Andres Mine”) on August 25, 2009 and the agreement to purchase the Sao Francisco and Sao Vicente gold mines in Brazil (the “Sao Francisco Mine” and the “Sao Vicente Mine”, respectively), the Company transitioned from an exploration and development base metals company to an emerging gold producer during 2009. Accordingly, in late 2009, the Board of Directors undertook to formalize the Company’s compensation programs based on the same basic executive compensation objectives.

Elements of Executive Compensation

For the years reported in the summary compensation table below, under the heading, “*Executive Compensation - Summary Compensation Table*”, there were three main elements of direct compensation, namely base salary, bonus payments and equity participation through the rolling stock option and share compensation plan, which was adopted by Aura Minerals on July 13, 2007 (the “2007 Stock Option and Share Compensation Plan”). The 2007 Stock Option and Share Compensation Plan is further discussed under the heading, “*Executive Compensation – Option Based Awards*”

¹ Converted from Canadian dollars based on the noon exchange rate reported by the Bank of Canada on December 31, 2009 of C\$1.0466 = \$1.00.

Base Salary	<p>In determining the base salary of an executive officer, the Compensation Committee places equal weight on the following factors:</p> <ul style="list-style-type: none"> • the particular responsibilities related to the position; • salaries paid by comparable businesses; • the experience level of the executive officer; and • his or her overall performance. <p>NEOs base salaries were not increased in 2009.</p>
<p>Bonus Payments (Short Term Incentives)</p>	<p>Executive officers are eligible for annual bonuses, payable in cash or through stock-based compensation, after taking into account and giving equal weight to financial performance, attainment of certain corporate milestones and individual performance.</p> <p>Performance bonuses (see “<i>Executive Compensation - Summary Compensation Table</i>” for details) were granted in December 2009 (paid in January of 2010) in light of certain achievements, including:</p> <ol style="list-style-type: none"> 1. the significant acquisition of the producing San Andres Mine; 2. the signing of a definitive agreement to purchase two additional producing gold mines, the Sao Francisco and Sao Vicente Mines, to be completed when all appropriate regulatory consents and approvals are received, which is expected by April 30, 2010; 3. the advancement of engineering and mine development at the Aranzazu project in Mexico towards a planned restart of operations in 2010; 4. the ongoing development of the Arapiraca project in Brazil; and 5. the completion of the private placement offering on July 15, 2009 for gross proceeds of \$115,238,000² (C\$125,125,000).
<p>Equity Participation (Long Term Incentives)</p>	<p>Encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company’s shareholders. Equity participation has been accomplished through the 2007 Stock Option and Share Compensation Plan.</p> <p>Stock options granted to NEOs during the most recently completed financial year, are disclosed herein under the heading, “<i>Executive Compensation - Summary Compensation Table</i>”.</p>

New Short Term Incentive Plan

In light of the Company's transition from an exploration and development base metals company to an emerging gold producer in 2009, the Compensation Committee commissioned Cooper Consulting Ltd. (“Coopers”) in early 2010 to conduct a review of the Company’s executive compensation. The results confirmed that, although the base salaries of executive officers were generally competitive with the comparator group of companies chosen³, there needed to be formalization of the short term incentive compensation component in order to ensure that it included the following:

² Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on August 25, 2009 of C\$1.0858 = \$1.00.

³ The group included: Alamos Gold Inc., Allied Nevada Gold Corp., Apollo Gold Corporation, Aurizon Mines Ltd., B2Gold Corp., Capstone Mining Corp., Dundee Precious Metals Inc., European Goldfields Ltd., Gammon Gold Inc., Golden Star Resources Ltd., Great Basin Gold Ltd., Jaguar Mining Inc., Kirkland Lake Gold Inc., Minefinders Corporation Ltd., New Gold Inc., Northgate Minerals Corporation, Quadra Mining Ltd. and Red Back Mining Inc.

1. integration with corporate strategy;
2. capability to generate payouts seen to be reasonable in relation to the value added through good performance;
3. transparency;
4. performance factors over which the executive officer has a reasonable degree of influence;
5. an appropriate balance between corporate and individual performance; and
6. flexibility to address changing corporate objectives on a year-to-year basis.

In March 2010, the Compensation Committee approved a report from Coopers proposing the implementation of a short term incentive plan ("STIP") for the executive group, including the NEOs, which addressed the above points and which included the following design parameters:

1. mix of corporate and individual measures;
2. ability to establish achievement parameters annually for each measure;
3. recognition that weightings assigned to the measures will vary with each plan participant, depending on the participant's position and level in the organization; and
4. varying target bonus incentive percentage payouts for each participant, again dependent on the participant's position and level in the organization.

In April 2010, the STIP was presented to the Board and approved for implementation for the 2010 financial year.

New Long Term Incentive Plans

With respect to long term incentive compensation, in March 2010 the Compensation Committee also recommended to the Board that the Company, in addition to its 2007 Share Compensation and Stock Option Plan, implement a treasury share unit plan ("TSU Plan") and a non-treasury share unit plan (NTSU Plan"), which are both available to eligible employees, officers and consultant of the Company and its subsidiaries (in this section only, collectively, the "eligible participants") and are intended to promote a further alignment of interests between eligible participants and the shareholders of the Company, to associate a portion of the eligible participants' compensation with the returns achieved by shareholders of the Company and to attract and retain employees, officers and consultants with the knowledge, experience and expertise required by the Company.

In April 2010, the TSU Plan was presented to the Board and approved for implementation for the 2010 financial year, subject to acceptance by the Toronto Stock Exchange (the "TSX") and approval by the shareholders of the Company. Accordingly, the Company is asking shareholders at this Meeting to approve the TSU Plan, which is described in detail under the heading, "*Matters to be Acted Upon – Approval of the TSU Plan*". A copy of the full text of the TSU Plan is included as Appendix "A" to this Information Circular.

In April 2010, the NTSU Plan was also presented to the Board and approved for implementation for the 2010 financial year. Pursuant to the NTSU Plan, the Compensation Committee is authorized to grant units (in this paragraph only, "Share Units") consisting of restricted share units and/or performance share units to eligible participants. Each Share Unit will vest in accordance with applicable conditions specified at the time of grant, consisting of time and/or performance conditions which may be graduated by percentages, including a percentage in excess of 100%.

If a grantee ceases to be an eligible participant as a result of termination for cause, no unvested Share Units will vest following the date of termination. Unless otherwise determined by the Compensation Committee, if a grantee ceases to be an eligible participant as a result of being terminated without cause, the number of Share Units that would have vested had that eligible participant remained an eligible participant for a period of three months after the date on which he or she received notice of termination will vest on the date on which he or she receives such notice. Unless otherwise determined by the Compensation Committee, if a grantee ceases to be an eligible participant by reason of death, disability or retirement prior to the end of the vesting period relating to a grant of Share Units, a portion of such Share Units will become vested Share Units on such date of death, disability or retirement, as applicable. The portion of such Share Units that will so become vested will be proportionate to the total number of

months between the date of grant of such Share Units and the eligible participant's date of death, disability or retirement, as applicable (rounded up to the nearest whole number of months), as compared to the total number of months between the date of grant of such Share Units and the end of the vesting period relating to such Share Units. The Compensation Committee may, in its sole discretion, determine that a grant is vested in relation to all or a percentage of the Share Units covered thereby for all or any grants at any time and from time to time.

Settlement of Share Units shall be in Common Shares, purchased on the open market by a trustee appointed for such purpose, or in cash, based on the market value of a Common Share on the date of settlement, as determined pursuant to the NTSU Plan, or in a combination thereof, as determined by the Compensation Committee. A grant of Share Units may, but need not, provide for the holder of such Share Units to receive additional Share Units in respect of dividends payable on Common Shares, based on the value of a Share Unit at that time.

The Company may amend the NTSU Plan as it deems necessary or appropriate, but no such amendment may adversely affect the rights of a holder of Share Units granted prior to the date of amendment, without the consent of that holder unless required by applicable law.

Compensation Review Process

The Compensation Committee, consisting of four independent board members, ensures that the Company has an executive compensation plan that is fair, motivational and competitive so that it will attract, retain and incentivize executive officers of a quality and nature that will enhance the profitability and growth of the Company.

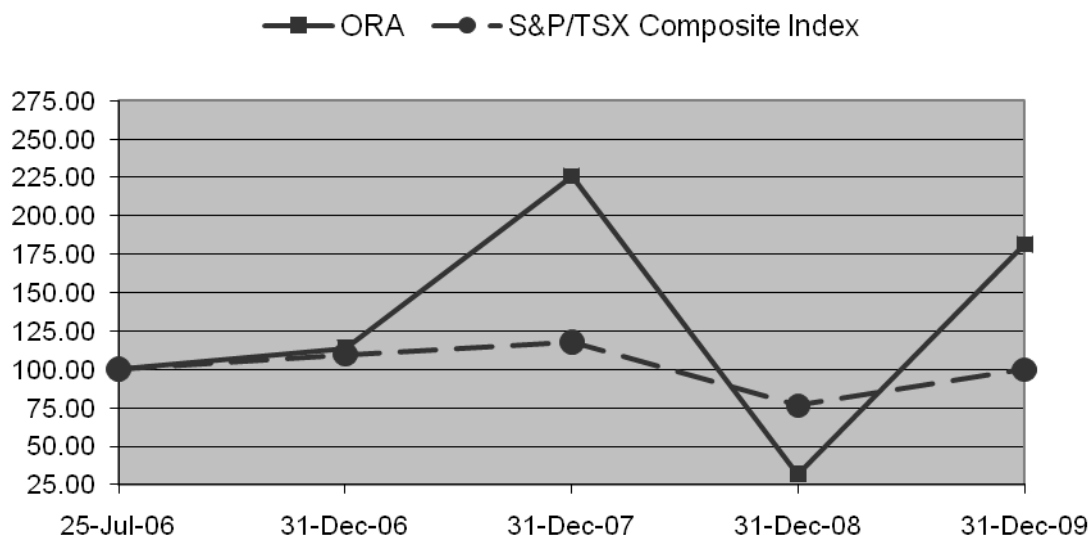
On an annual basis, the Compensation Committee reviews the cash compensation, individual and corporate performance and overall compensation package of each executive officer, including the NEOs. Following its review, the Compensation Committee then submits to the Board recommendations with respect to basic salary, bonus and participation in share compensation arrangements for each executive officer.

In establishing levels of remuneration, share compensation and bonus grants, the Compensation Committee is guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- calculating total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment;
- an appropriate portion of total compensation is variable and linked to performance, achievements, level of expertise, responsibilities, and length of service;
- internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- the Company's commitment to encouraging and supporting reasonable expenses in order that employees continuously maintain and enhance their skills.

Performance Graph

The following graph compares the cumulative shareholder return on a C\$100 investment in Common Shares to a similar investment in companies comprising the S&P/TSX Composite Index for the period from July 25, 2006 (the listing date of Aura Minerals on the TSX) to December 31, 2009.



	Symbol	July 25, 2006	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009
Aura Minerals Inc.	■	C\$100.00	C\$114.00	C\$226.01	C\$32.00	C\$181.60
S&P/TSX Composite Index	●	C\$100.00	C\$109.82	C\$117.68	C\$76.46	C\$99.93

Through 2006 and 2007, the Company's executive compensation increased due to the Company's significantly higher levels of corporate and operating activities which resulted in Aura Minerals relocating its head office to Vancouver, British Columbia, and retaining a new executive team during the second half of 2007 and first half of 2008.

In light of global economic challenges during the fourth quarter of 2008 and throughout 2009, the Company did not increase the base salaries of its executive team (except for the base salary of the new COO of the Company, appointed November 2, 2009) and staged the payment of performance bonuses granted in 2008, as more particularly described below and under the heading, "Executive Compensation – Summary Compensation Table".

Option-Based Awards

The Company's Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, the granting of stock options to directors, executive officers and key employees and service providers of the Company and the remuneration and compensation policies, including the 2007 Stock Option and Share Compensation Plan. The members of the Compensation Committee are identified herein under the heading, "Election of Directors".

The 2007 Stock Option and Share Compensation Plan provides for the grant of stock options and bonus Common Shares to directors, executive officers and key employees and consultants of the Company and its subsidiaries for the purpose of advancing the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals, it being generally recognized that stock option and share compensation plans aid in attracting, retaining and encouraging these individuals due to the opportunity offered to them to acquire a proprietary interest in the Company.

Individual grants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of his or her position and contribution to the Company, and previous option grants and exercise prices.

Under the 2007 Stock Option and Share Compensation Plan, the maximum number of Common Shares which may be made subject to stock options and bonus Common Shares at any time and from time to time shall not exceed 10% of the total number of Common Shares then outstanding on a non-diluted basis. Furthermore, the maximum number of Common Shares which may be granted to a participant under the 2007 Stock Option and Share Compensation Plan shall not exceed 5% of the total number of Common Shares then outstanding on a non-diluted basis.

Pursuant to the 2007 Stock Option and Share Compensation Plan, options to purchase Common Shares have been granted to the NEOs at exercise prices at least equal to the volume weighted average trading price for the five trading days immediately preceding the respective grant date and may be exercised within five years from that date, subject to any vesting provisions determined by the Board.

To date, the Company has not granted bonus Common Shares under the 2007 Stock Option and Share Compensation Plan.

There was no repricing of stock options under the 2007 Stock Option and Share Compensation Plan or otherwise during the most recently completed financial year.

Pursuant to the 2007 Stock Option and Share Compensation Plan, the plan must be approved by shareholders every three years. Accordingly, the Company is asking shareholders at the Meeting to approve a 2010 stock option and share compensation plan (the "2010 Stock Option and Share Compensation Plan"), which is substantially similar to the 2007 Stock Option and Share Compensation Plan, except as noted under the heading "*Particulars of Matters to be Acted Upon – Approval of the 2010 Stock Option and Share Compensation Plan*". A copy of the full text of the 2010 Stock Option and Share Compensation Plan is included as Appendix "B" to this Information Circular.

Summary Compensation Table

The following table is a summary of compensation paid to the NEOs for the three most recently completed calendar years.

Name and Principal Position	Year	Salary (\$) ^{(1) (2)}	Share-Based Award (\$) ⁽¹⁾	Option-Based Awards (\$) ^{(1) (3)}	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾		Pension Value (\$) ⁽¹⁾	All Other Compensation (\$) ⁽¹⁾	Total Compensation (\$) ⁽¹⁾
					Annual Incentive Plan	Long-Term Incentive Plan			
Patrick Downey President & CEO ⁽⁶⁾	2009	429,964	N/A	Nil	429,964 ⁽⁴⁾	N/A	N/A	Nil	859,928
	2008	382,190	N/A	878,996	191,095 ⁽⁵⁾	N/A	N/A	1,541,867 ⁽⁷⁾	2,994,148
	2007	214,982	N/A	5,610,922	N/A	N/A	N/A	3,310,720 ⁽⁸⁾	9,136,624
Fausto Taddei CFO ⁽⁹⁾	2009	238,869	N/A	Nil	119,434 ⁽⁴⁾	N/A	N/A	Nil	358,303
	2008	179,152	N/A	1,442,156	95,547 ⁽⁵⁾	N/A	N/A	Nil	1,716,855
	2007	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil

Name and Principal Position	Year	Salary (\$) ^{(1) (2)}	Share-Based Award (\$) ⁽¹⁾	Option-Based Awards (\$) ^{(1) (3)}	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾		Pension Value (\$) ⁽¹⁾	All Other Compensation (\$) ⁽¹⁾	Total Compensation (\$) ⁽¹⁾
					Annual Incentive Plan	Long-Term Incentive Plan			
John (Britt) Reid ⁽¹⁰⁾ Chief Operating Officer ("COO")	2009	55,736	N/A	1,262,917	19,109 ⁽⁴⁾	N/A	N/A	Nil	1,337,762
	2008	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2007	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Meghan Lewis ⁽¹¹⁾ Vice-President, Corporate Development	2009	238,869	N/A	Nil	119,434 ⁽⁴⁾	N/A	N/A	71,661 ⁽¹²⁾	429,964
	2008	222,638	N/A	1,453,323	157,653 ⁽⁵⁾	N/A	N/A	66,791 ⁽¹²⁾	1,900,405
	2007	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Michele Jones ⁽¹³⁾ Vice-President, Corporate Affairs	2009	238,869	N/A	Nil	119,434 ⁽⁴⁾	N/A	N/A	Nil	358,303
	2008	238,869	N/A	765,955	157,653 ⁽⁵⁾	N/A	N/A	Nil	1,162,477
	2007	148,481	N/A	2,065,001	N/A	N/A	N/A	Nil	2,213,482
Anthony George ⁽¹⁴⁾ former COO	2009	218,963	N/A	Nil	N/A	N/A	N/A	148,832 ⁽¹⁵⁾	367,795
	2008	238,869	N/A	765,955	157,653 ⁽⁵⁾	N/A	N/A	Nil	1,162,477
	2007	139,340	N/A	2,017,179	N/A	N/A	N/A	57,328 ⁽¹⁶⁾	2,213,847

Note:

- (1) Except as otherwise stated, all amounts in the table and these notes are shown in United States dollars and have been converted from Canadian dollars based on the noon exchange rate reported by the Bank of Canada on December 31, 2009 of C\$1.0466 = \$1.00.
- (2) Includes consulting fees paid to the NEOs in 2007.
- (3) Amount is based on the grant date fair value of the award for a financial year using the Black-Scholes option pricing model with the following assumptions: (i) Expected volatility 117-125%; (ii) Risk-free interest rate 1.61-2.42%; (iii) Expected life (years) 5; and (iv) Expected dividend yield 0%. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimated, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.
- (4) Performance bonuses granted in December 2009 (paid in January of 2010) in light of certain achievements, including the significant acquisition of the producing San Andres Mine, the signing of a definitive agreement to purchase the Sao Francisco and Sao Vicente Mines, which is expected to close by April 30, 2010, the advancement of engineering and mine development at the Aranzazu project in Mexico towards a planned restart of operations in 2010, the ongoing development of the Arapiraca project in Brazil and the completion of the private placement offering on July 15, 2009 for gross proceeds of \$115,238,000⁴ (C\$125,125,000). Although 100% of the bonuses were paid in 2010, pursuant to National Instrument 51-102 (Form 6) – *Statement of Executive Compensation*, the above table sets out the total bonus amount awarded during the financial year ended December 31, 2009.
- (5) Performance bonuses granted in October 2008 in light of certain achievements, including the significant acquisition of the Aranzazu project, the ongoing development of the Arapiraca project and the completion of the private placement offering on June 9, 2008 for gross proceeds of \$60,000,750. The bonuses were paid in stages as follows: (a) 40% on December 31, 2008; (b) 30% on March 31, 2009; and (c) 30% on June 30, 2009. Although only 40% of the bonuses were paid in 2008, pursuant to National Instrument 51-102 (Form 6) – *Statement of Executive Compensation*, the above table sets out the total bonus amount awarded during the financial year ended December 31, 2008.

⁴ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on August 25, 2009 of C\$1.0858 = \$1.00.

- (6) Mr. Downey was appointed President and CEO of the Company in April 2007 with remuneration of \$286,642 per annum. The Company increased Mr. Downey's remuneration by \$143,321 per annum to \$429,964, effective September 1, 2008. In light of the decline in economic conditions in 2008 the salary increase was voluntarily deferred by Mr. Downey. The \$47,774 owing pursuant to the salary increase as at December 31, 2008 was paid to Mr. Downey in 2009. Notwithstanding the foregoing, pursuant to National Instrument 51-102 (Form 6) – *Statement of Executive Compensation*, the above table sets out the total salary earned by Mr. Downey (including the deferred salary increase) during the financial year ended December 31, 2008.
- (7) Compensation for income tax payable on account of receipt of the 3,500,000 Common Shares referred to in Note (8) below.
- (8) Mr. Downey was granted 700,000 Common Shares (the "Signing Shares") at a value of C\$4.95 (\$4.73) per Common Share (being the closing market price on the January 28, 2008 issuance date and taking into account the Consolidation) as an employment inducement pursuant to the employment agreement between Mr. Downey and the Company dated April 3, 2007, as amended January 28, 2008. The Signing Shares were subject to the following escrow restrictions: in the event that at any time a technical report prepared in accordance with National Instrument 43-101 ("NI 43-101") establishes that the aggregate mineral resources under any classification system permitted under NI 43-101 (including measured, indicated and inferred mineral resources under CIM Standards) for the Arapiraca project, to the extent applicable utilizing substantially the same methodology and parameters as to historical resource calculated by Vale S.A., are greater than 135,000,000 tonnes, up to 600,000 escrowed Signing Shares shall be released on a pro rata basis for mineral resources exceeding 135 million tonnes up to 190 million tonnes, and the remaining 100,000 escrowed Signing Shares shall be released from escrow on a pro rata basis for mineral resources exceeding 190,000,000 tonnes up to 210,000,000 tonnes. In any event, the 700,000 Signing Shares will be released within five years from the close of the Arapiraca project acquisition or in certain other circumstances. Based on mineral resource estimate of 130 million tonnes (measured and indicated) and 22 million tonnes (inferred) reported in the NI 43-101 compliant Technical Report dated August 7, 2008 and entitled "Mineral Resource Update Serrote Da Laje Copper-Gold Deposit" and prepared by Ronald G. Simpson, P. Geo of GeoSim Services Inc. (a copy of which is filed on SEDAR at www.sedar.com), 186,927 of the 700,000 Signing Shares were released from escrow in January, 2009. On April 28, 2009, the remaining 513,073 Signing Shares were released from escrow as a result of the NI 43-101 compliant Technical Report dated April 9, 2009 and entitled, "Mineral Resource Update Serrote Da Laje and Caboclo Deposits of the Arapiraca Copper-Gold-Iron Ore Project, State of Alagoas, Brazil" and also prepared by Ronald G. Simpson, P. Geo of GeoSim Services Inc. (a copy of which is also filed on SEDAR), which set out an updated mineral resource estimate at the Serrote Deposit of 227.1 million tonnes (195.9 million tonnes (measured and indicated) and 31.2 million (inferred) and preliminary mineral resource estimate at the Caboclo Deposit of 7.6 million tonnes (measured and indicated) and 4.6 million tonnes (inferred),
- (9) Mr. Taddei was appointed CFO of the Company in April 2008 with remuneration of \$238,869 per annum.
- (10) Mr. Reid was appointed COO of the Company in November 2009 with remuneration of \$334,416 per annum.
- (11) Ms. Lewis was appointed Vice-President, Corporate Development of the Company in January 2008 with remuneration of \$238,869 per annum.
- (12) Representing a portion of the \$143,321 employment inducement payable to Ms. Lewis by the Company in 24 equal monthly installments, commencing from January 28, 2008.
- (13) Ms. Jones was appointed Vice-President, Corporate Affairs & Corporate Secretary of the Company in July 2007 with remuneration of \$238,869 per annum. Prior thereto, Ms. Jones provided services to the Company on an as-needed basis through a private company controlled by Ms. Jones to which consulting fees of \$29,046 were paid.
- (14) Mr. George was COO of the Company from June 2007 to October 2009 with remuneration of \$238,869 per annum.
- (15) Representing a payout to Mr. George upon resignation.
- (16) Representing employment inducement paid to Mr. George by the Company.

Significant terms of each NEOs employment agreement are set out under the heading, "*Executive Compensation – Termination and Change of Control Benefits*".

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth all share-based awards and option-based awards outstanding at the end of the most recently completed financial year with respect to each of the Named Executive Officers.

Name and Principal Position	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#) ⁽²⁾	Option Exercise Price (\$) ⁽¹⁾⁽³⁾	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾⁽⁴⁾	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽¹⁾
Patrick Downey President & CEO	360,000 ⁽⁵⁾	3.68	March 30, 2012	237,340	N/A	N/A
	500,000 ⁽⁶⁾	3.58	March 30, 2012	377,413 ⁽⁷⁾		
	100,000 ⁽⁵⁾	7.50	July 19, 2012	Nil		
	100,000 ⁽⁵⁾	4.73	January 28, 2013	Nil		
	30,000 ⁽⁵⁾	4.73	January 29, 2013	Nil		
	666,666 ⁽⁵⁾	0.74	December 30, 2013	2,398,239		
Fausto Taddei CFO	300,000 ⁽⁵⁾	7.17	May 13, 2013	Nil	N/A	N/A
	333,333 ⁽⁵⁾	0.74	December 30, 2013	1,199,120		
John (Britt) Reid COO	500,000 ⁽⁸⁾	3.09	November 2, 2014	625,836 ⁽⁹⁾	N/A	N/A
Meghan Lewis Vice President, Corporate Development	360,000 ⁽⁵⁾	4.73	January 28, 2013	Nil	N/A	N/A
	333,333 ⁽⁵⁾	0.74	December 30, 2013	1,199,120		
Michele Jones Vice-President, Corporate Affairs	300,000 ⁽⁵⁾	5.64	May 17, 2012	Nil	N/A	N/A
	60,000 ⁽⁵⁾	7.50	July 19, 2012	Nil		
	160,000 ⁽⁵⁾	4.73	January 28, 2013	Nil		
	333,333 ⁽⁵⁾	0.74	December 30, 2013	1,199,120		
Anthony George former COO	300,000 ⁽⁵⁾	6.78	November 30, 2010	Nil	N/A	N/A
	60,000 ⁽⁵⁾	7.50	November 30, 2010	Nil		
	160,000 ⁽⁵⁾	4.73	November 30, 2010	Nil		

Note:

- (1) All amounts in the table and these notes are shown in United States dollars and have been converted from Canadian dollars based on the noon exchange rate reported by the Bank of Canada on December 31, 2009 of C\$1.0466 = \$1.00.
- (2) Class of securities underlying all stock options is Common Shares of the Company. All options granted to the NEOs are governed by the 2007 Stock Option and Share Compensation Plan.
- (3) Exercise price for the stock options is equivalent to the "Market Price", as defined in the Company's 2007 Stock Option and Share Compensation Plan and in accordance with TSX Manual, which currently means the volume weighted average trading price for the five trading days immediately preceding the grant date.
- (4) Based on the difference between the stock option exercise price and the \$4.34 (C\$4.54) closing market price of the Common Shares on the TSX on December 31, 2009.
- (5) Stock options are fully vested.
- (6) 200,000 stock options vested on July 17, 2007. 200,000 shall vest upon the earlier of (i) receipt by the Company of a bankable feasibility study on the Arapiraca project and a positive production decision, and (ii) the Company becoming a gold producer. 100,000 stock options shall vest upon the Arapiraca project entering commercial production.
- (7) 300,000 of the 500,000 stock options have not yet vested. See footnote (6) above for vesting provisions.
- (8) 125,000 stock options will vest on a quarterly basis, commencing from date of employment, being November 2, 2009 (first tranche vesting February 2, 2010).
- (9) 375,000 of the 500,000 stock options have not yet vested. See footnote (8) above for vesting provisions.

Pursuant to the 2007 Stock Option and Share Compensation Plan and in accordance with the TSX Manual, stock options have been granted to the NEOs at exercise prices at least equal to the volume weighted average trading price for the five trading days immediately preceding the respective grant date.

Consequently, from time to time, the exercise price can be less than the closing market price of the stock option on the grant date. On July 19, 2007, stock options were granted to Mr. Downey (100,000 options), Mr. George (60,000 options) and Ms. Jones (60,000) at an exercise price of \$7.53⁵ (C\$7.85), which was less than the \$8.63⁵ (C\$9.00) closing market price on the grant date. On May 13, 2008, stock options were granted to Mr. Taddei (300,000 options) at an exercise price of \$7.50⁶ (C\$7.50), which was less than the \$7.60⁶ (C\$7.60) closing market price on the grant date.

Incentive plan awards – value vested or earned during the year

The following table sets forth the value vested or earned in connection with incentive plan awards during the most recently completed financial year with respect to each of the Named Executive Officers.

Name	Option-based awards – Value vested during the year (\$)⁽¹⁾⁽²⁾	Share-based awards – Value vested during the year (\$)⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)⁽¹⁾
Patrick Downey President & CEO	Nil	N/A	N/A
Fausto Taddei CFO	685,953	N/A	N/A
John (Britt) Reid COO	Nil	N/A	N/A
Meghan Lewis Vice President, Corporate Development	685,953	N/A	N/A
Michele Jones Vice-President, Corporate Affairs	685,953	N/A	N/A
Anthony George Former COO	633,401	N/A	N/A

Note:

- (1) All amounts in the table are shown in United States dollars and have been converted from Canadian dollars based on the noon exchange rate reported by the Bank of Canada on December 31, 2009 of C\$1.0466 = \$1.00.
- (2) Aggregate dollar value that would have been realized if the stock options under the option-based award had been exercised on the vesting date.

Pension Plan Benefits

The Company does not have a pension plan or deferred compensation plan.

Termination and Change of Control Benefits

As at December 31, 2009, the Company had termination and/or change of control contracts or arrangements with each of its NEOs, except for Anthony George, who resigned as COO of the Company in October, 2009.

⁵ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on July 19, 2007 of C\$1.0426 = \$1.00.

⁶ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on May 13, 2008 of C\$1.0005 = \$1.00.

The Company has entered into the following agreements:

Name	Agreements
Patrick Downey President & CEO	Employment agreement dated April 3, 2007, as amended January 28, 2008, with Mr. Downey. Pursuant to his employment agreement, in the event that Mr. Downey is terminated for cause or constructively terminated within a period of six months of the occurrence of a change of control of the Company, he will be entitled to a payment of three times his then base salary. Mr. Downey has a right to resign at any time within 12 months after the occurrence of a change of control of the Company. In the event of such resignation, Mr. Downey will be entitled to a payment of three times his then base salary.
Fausto Taddei CFO	Employment agreement dated March 26, 2008 with Mr. Taddei. Pursuant to his employment agreement, in the event of a change of control of the Company, Mr. Taddei is entitled to a payment of two times his then base salary.
John (Britt) Reid COO	Employment agreement dated September 25, 2009 with Mr. Reid. Pursuant to his employment agreement, in the event of a change of control of the Company, Mr. Reid is entitled to a payment of two times his then base salary. In the event that Mr. Reid is terminated without cause (not resulting from a change of control of the Company), he will be entitled to a severance payment equivalent to 18 months of his then base salary.
Meghan Lewis Vice-President, Corporate Development	Employment agreement dated November 26, 2007, with Ms. Lewis. Pursuant to her employment agreement, in the event of a change of control of the Company, Ms. Lewis is entitled to a payment of two times her then base salary.
Michele Jones Vice-President, Corporate Affairs	Employment agreement dated June 4, 2007, as amended July 6, 2007, with Ms. Jones. Pursuant to her employment agreement, in the event of a change of control of the Company, Ms. Jones is entitled to a payment of two times her then base salary.

Pursuant to each of the foregoing Named Executive Officer's employment agreement, they each receive a base salary, which is subject to review on an annual basis. They are also entitled to bonuses, stock options and benefits at the discretion of the Board.

In regards to stock options granted to the NEOs under the 2007 Stock Option and Share Compensation Plan, if an NEO's employment with the Company is terminated for cause, no stock options held by the NEO shall be exercisable following the date on which such NEO ceases his or her employment. If an NEO ceases to be an employee of the Company for any reason other than for cause or by virtue of death, any vested stock options held by such NEO at such time shall remain exercisable for a period of 365 days after the date on which the NEO ceases his or her employment or prior to the option exercise period in respect of the stock options, whichever is sooner. If an NEO dies while an employee of the Company, any vested stock options held by such NEO at the date of death shall be exercisable by the person or persons to whom the rights of the NEO under the stock options shall pass by the will of the NEO or the laws of descent and distribution for a period of 365 days after the date of death or prior to the option exercise period in respect of the stock options, whichever is sooner. The foregoing also applies to all other option-holders granted stock options under the 2007 Stock Option and Share Compensation Plan.

The termination of an eligible participant under the TSU Plan is described below under the heading, "Matters to be Acted Upon – Approval of the TSU Plan" and under the NTSU Plan is described above under the heading, "Executive Compensation – Compensation Discussion and Analysis".

See "Executive Compensation – Compensation Discussion and Analysis" and "Executive Compensation - Summary Compensation Table" for more information on remuneration of the Named Executive Officers.

Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the independent directors of the Company during the most recently completed financial year. Compensation of the non-independent director, Patrick Downey, is disclosed herein under the heading, “Executive Compensation – Incentive Plan Awards”.

Name	Fees earned (\$) ^{(1) (2)}	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Ivany	12,803	N/A	652,178	N/A	N/A	N/A	664,981
Patrick Mars	55,800	N/A	Nil	N/A	N/A	N/A	55,800
Elizabeth Martin	80,451 ⁽⁴⁾	N/A	Nil	N/A	N/A	N/A	80,451
William Murray	77,776 ⁽⁴⁾	N/A	Nil	N/A	N/A	N/A	77,776
Tom Ogryzlo	7,499	N/A	656,717	N/A	N/A	N/A	664,216
Peter Marrone (resigned) ⁽⁵⁾	21,020	N/A	Nil	N/A	N/A	N/A	21,020
Philip Martin (resigned) ⁽⁶⁾	17,390	N/A	Nil	N/A	N/A	N/A	17,390

Note:

- (1) All amounts in the table are shown in United States dollars have been converted from Canadian dollars based on the exchange rate reported by the Bank of Canada on December 31, 2009 of Cdn\$1.0466 = \$1.00.
- (2) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
- (3) Amount is based on the grant date fair value of the award for a covered financial year using the Black-Scholes option pricing model.
- (4) Ms. Martin and Mr. Murray were members of a Special Committee of the Board to review the merits of the San Andres Mine, Sao Francisco Mine and Sao Vicente Mine acquisitions and each received \$29,620 for their services.
- (5) Mr. Marrone resigned from the Board on September 8, 2009.
- (6) Mr. Martin resigned from the Board on May 7, 2009.

Due to the growth of the Company and the increased responsibility and liability of directors, effective January 1, 2010, the independent directors of the Company receive the following compensation for their services in their capacity as directors:

Membership	Compensation ⁽¹⁾
Chair of the Board	\$42,996 per annum, paid quarterly in advance
Membership on the Board (excluding the Chair)	\$28,664 per annum, paid quarterly in advance
Chair of the Audit Committee	\$9,555 per annum, paid quarterly in advance
Membership on the Audit Committee (excluding the Chair)	\$3,822 per annum, paid quarterly in advance
Chair of all other Committee	\$4,777 per annum, paid quarterly in advance
Membership on all other Committees (excluding the Chair)	\$1,911 per annum, paid quarterly in advance
Per Board/Committee meeting	\$1,433 per meeting, paid quarterly in arrears

Note:

- (1) All amounts in table shown in United States dollars have been converted from Canadian dollars based on the exchange rate reported by the Bank of Canada on December 31, 2009 of Cdn\$1.0466 = \$1.00.

Membership on each committee of the Board is disclosed herein under the heading, “Election of Directors”.

All directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors and will receive a \$1,433⁷ (C\$1,500) per day fee in connection with travel to the Company's operations in Mexico, Honduras and Brazil.

Stock Option and Share Compensation Plan

Pursuant to the 2007 Stock Option and Share Compensation Plan, options to purchase Common Shares have been granted to the directors at exercise prices at least equal to the volume weighted average trading price for the five trading days immediately preceding the respective grant date and may be exercised within five years from that date, subject to any vesting provisions determined by the Board.

During the financial year ended December 31, 2009, the Company granted stock options to independent directors to purchase an aggregate of 520,000 Common Shares.

The 2007 Stock Option and Share Compensation Plan is described in further detail under the heading, "*Executive Compensation – Option Based Awards*".

As mentioned above, the Company is asking shareholders at the Meeting to approve the 2010 Stock Option and Share Compensation Plan, which is described in further detail under the heading "*Particulars of Matters to be Acted Upon – Approval of the 2010 Stock Option and Share Compensation Plan*".

Deferred Share Unit Plan

With respect to long term incentive compensation, in March 2010 the Compensation Committee recommended to the Board that the Company, in addition to its 2007 Share Compensation and Stock Option Plan, implement a deferred share unit plan ("DSU Plan"), which is available to all directors of the Company who are not employees of the Company or any of its affiliates, including the non-executive Chairman of the Board (collectively, "eligible directors"). The DSU Plan is intended to promote a further alignment of interests between eligible directors and the shareholders of the Company and to provide a compensation system 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.

Pursuant to the DSU Plan, the annual Board retainer flat fee (in this section only, the "Annual Retainer"), which is currently \$42,996 for the Chairman of the Board and \$28,664 for all other eligible directors, will be paid 50% in cash (in this section only, the Annual Cash Retainer") and 50% in the form of deferred stock units ("DSUs"). However, on an annual basis, an eligible director can also elect to receive DSUs in full or partial satisfaction of the Annual Cash Retainer and annual retainer fees received for serving as a member of a Board committee and for chairing a Board committee meeting (collectively, "Annual Cash Remuneration").

Notwithstanding the foregoing, an eligible director who has exceeded his or her minimum DSU/Common Share ownership requirement, as established by the Board, may elect, on an annual basis, to receive cash for all or any portion of the compensation otherwise payable in DSUs.

The number of DSUs granted to an eligible director is determined by dividing the portion of the compensation to be paid in DSUs by the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant (the "value of a DSU").

Each eligible director will be required to hold DSUs received until the eligible director ceases to be a director of the Company, following which the DSU will be redeemed for cash on one or two dates elected by the eligible director, or in the event of the eligible director's death, his or her beneficiary, within a prescribed period at the value of a DSU prevailing at the date of redemption.

⁷ Converted from Canadian dollars based on the noon exchange rate reported by the Bank of Canada on December 31, 2009 of C\$1.0466 = \$1.00.

No Common Shares will be issuable pursuant to the DSU Plan and an eligible director who receives DSUs will receive additional DSUs in respect of dividends payable on Common Shares, based on the value of a DSU at that time.

The Company may amend the DSU Plan as it deems necessary or appropriate, but no such amendment may adversely affect the rights of an eligible director in DSUs granted prior to the date of amendment or adversely affect the rights of an eligible director with respect to any amount in respect of which the eligible director has elected to receive DSUs, without the consent of the eligible director unless required by applicable law.

In April 2010, the DSU Plan was presented to the Board and approved for implementation for the 2010 financial year.

Outstanding share-based awards and option-based awards

The following table sets forth all share-based awards and option-based awards outstanding at the end of the most recently completed financial year with respect to each of the independent directors. Compensation of the non-independent director, Patrick Downey, is disclosed herein under the heading, “Executive Compensation – Incentive Plan Awards”.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾⁽²⁾	Option Exercise Price (\$) ⁽³⁾⁽⁴⁾	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽³⁾⁽⁵⁾	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽³⁾
John Ivany	260,000	3.02	September 11, 2014	342,824	N/A	N/A
Patrick Mars	20,000 ⁽⁶⁾	2.39	July 25, 2011	38,983	N/A	N/A
	200,000	3.58	March 30, 2012	150,965		
	60,000	4.73	January 29, 2013	Nil		
	200,000	0.74	December 30, 2013	719,473		
Elizabeth Martin	260,000	7.17	May 13, 2013	Nil	N/A	N/A
	200,000	0.74	December 30, 2013	719,473		
William Murray	260,000	7.50	July 19, 2012	Nil	N/A	N/A
	100,000	4.73	January 28, 2013	Nil		
	30,000	4.73	January 29, 2013	Nil		
	200,000	0.74	December 30, 2013	719,473		
Thomas Ogryzlo	260,000	3.09	November 2, 2014	325,435	N/A	N/A

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#) ^{(1) (2)}	Option Exercise Price (\$) ^{(3) (4)}	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ^{(3) (5)}	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽³⁾
Peter Marrone (resigned)	60,000	2.39	September 8, 2010	116,950	N/A	N/A
	260,000	7.50	September 8, 2010	Nil		
	130,000	4.73	September 8, 2010	Nil		
	200,000	0.74	September 8, 2010	719,473		
Philip Martin (resigned)	60,000	2.39	May 7, 2010	116,950	N/A	N/A
	200,000	3.58	May 7, 2010	Nil		
	60,000	4.73	May 7, 2010	Nil		
	200,000	0.74	May 7, 2010	719,473		

Note:

- (1) Class of securities underlying all stock options is Common Shares of the Company. Stock options granted prior to July 13, 2007 were issued pursuant to the 2006 stock option and share compensation plan (the "2006 Stock Option and Share Compensation Plan"). However, with the implementation of the 2007 Stock Option and Share Compensation Plan, all options are now governed thereunder.
- (2) Stock options vested on grant.
- (3) All amounts in the table and these notes are shown in United States dollars have been converted from Canadian dollars based on the exchange rate reported by the Bank of Canada on December 31, 2009 of Cdn\$1.0466 = \$1.00.
- (4) Exercise price for the stock options granted prior to July 13, 2007 is as determined by the Board, on the basis of the "Market Price" as defined in the Company's 2006 Stock Option and Share Compensation Plan, which is the prior trading day closing price of the Common Shares on the TSX and the exercise price for the stock options granted after July 13, 2007 is equivalent to the "Market Price", as defined in the Company's 2007 Stock Option and Share Compensation Plan and in accordance with TSX Manual, which currently means the volume weighted average trading price for the five trading days immediately preceding the grant date.
- (5) Based on the difference between the stock option exercise price and the \$4.34 (C\$4.54) closing market price of the Common Shares on the TSX on December 31, 2009.
- (6) Stock options granted to Mr. Mars on July 25, 2006 predate the Company's first trading day on the TSX, being July 27, 2006.

For stock options granted prior to the Company's implementation of the 2007 Stock Option and Share Compensation Plan on July 13, 2007, the exercise price was determined by the Board, on the basis of the "Market Price" as defined in the Company's 2006 Stock Option and Share Compensation Plan, which was the prior trading day closing price of the Common Shares on the TSX. For stock options granted after July 13, 2007, the exercise price for the stock options is no less than the "Market Price", as defined in the Company's 2007 Stock Option and Share Compensation Plan and in accordance with TSX Manual, which currently means the volume weighted average trading price for the five trading days immediately preceding the grant date.

Consequently, from time to time, the exercise price can be less than the closing market price of the stock option on the grant date. On July 19, 2007, stock options were granted to Mr. Murray (260,000) at an

exercise price of \$7.53⁸ (C\$7.85), which was less than the \$8.63⁸ (C\$9.00) closing market price on the grant date. On May 13, 2008, stock options were granted to Ms. Martin (260,000 options) at an exercise price of \$7.50⁹ (C\$7.50), which was less than the \$7.60⁹ (C\$7.60) closing market price on the grant date.

Incentive plan awards – value vested or earned during the year

The following table sets forth the value vested or earned in connection with incentive plan awards during the most recently completed financial year with respect to each of the of the independent directors. Compensation of the non-independent director, Patrick Downey, is disclosed herein under the heading, “Executive Compensation – Incentive Plan Awards”.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Ivany	Nil	N/A	N/A
Patrick Mars	Nil	N/A	N/A
Elizabeth Martin	Nil	N/A	N/A
William Murray	Nil	N/A	N/A
Tom Ogryzlo	Nil	N/A	N/A
Peter Marrone (resigned)	Nil	N/A	N/A
Philip Martin (resigned)	Nil	N/A	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company’s compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$) ⁽¹⁾	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders – Stock Option & Share Compensation Plan ⁽²⁾	11,555,628	3.66	5,777,721 ⁽³⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	11,555,628	3.66	5,777,721

Note:

- (1) All amounts in the table are shown in United States dollars have been converted from Canadian dollars based on the exchange rate reported by the Bank of Canada on December 31, 2009 of Cdn\$1.0466 = \$1.00.
- (2) In July 2007 the Company adopted the 2007 Plan in accordance with TSX policies, and pursuant to which the directors may, from time to time, reserve for issuance and issue up to 10% of the then issued and outstanding common shares of the Company pursuant to options granted to directors, officers, employees and consultants of the Company and its subsidiaries.
- (3) Based on 173,333,494 Common Shares issued and outstanding as at December 31, 2009.

⁸ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on July 19, 2007 of C\$1.0426 = \$1.00.

⁹ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on May 13, 2008 of C\$1.0005 = \$1.00.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, officers or employees of the Company or any of its subsidiaries, nor any associate of such persons is as at the date hereof, or has been, during the financial year ended December 31, 2009, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any of its subsidiaries, no person who beneficially owns, directs or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares, no proposed director of the Company and no associate or affiliate of any of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries, except as follows:

On February 4, 2010, the Company and Zoneplan Limited (the "Selling Shareholder"), a subsidiary of Cyprus River Holdings Ltd. ("Cyprus Holdings"), which is a majority shareholder in the Company, closed a bought deal public offering of 18,000,000 Common Shares from the treasury of the Company and 6,000,000 previously issued Common Shares of the Company from the holdings of the Selling Shareholder at a price of C\$4.20 per offered Common Share for aggregate gross proceeds of \$93,968,000¹⁰ (C\$100,800,000), of which \$70,476,000¹⁰ (C\$75,600,000) is attributable to the Company (the "2010 Offering"). After giving effect to the 2010 Offering, Cyprus Holdings owns, controls or directs, directly or indirectly, 51,968,400 Common Shares, representing approximately 27% of the Common Shares of the Company outstanding as at the date of this Information Circular.

CORPORATE GOVERNANCE DISCLOSURE

Effective June 20, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument 58-201 *Corporate Governance Guidelines* ("NI 58-201"). NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NI 58-201 provides guidance on corporate governance practices. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out in Appendix "C" to this Information Circular.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are to any significant degree performed by a party other than the directors and executive officers of the Company or its subsidiaries.

AUDIT COMMITTEE INFORMATION

Information regarding the Audit Committee is contained in the Company's annual information form dated March 26, 2010 (the "AIF") under the heading, "*Audit Committee*". A copy of the Audit Committee charter is attached to the AIF as schedule "A". The AIF is available under the Company's profile on SEDAR at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

Number of Directors

The Canada Business Corporations Act provides that the shareholders may adopt an amendment to the articles of the Company to increase the maximum number of directors of the Company.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution in the form set out below (the "Number of Directors Resolution"),

¹⁰ Converted from Canadian dollars based on the closing exchange rate reported by the Bank of Canada on February 4, 2010 of C\$1.0727 = \$1.00.

subject to such amendments, variations or additions as may be approved at the Meeting, adopting an amendment to the articles of the Company to increase the maximum number of directors of the Company from seven (7) to nine (9).

The Board and management recommend the adoption of the resolution below. To be effective, the resolution must be approved by not less than two-thirds of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. **Unless authorization to do so is withheld, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the Number of Directors Resolution.**

The text of the Number of Directors Resolution to be submitted to shareholders at the Meeting is set forth below:

“NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. an amendment to the articles of the Company to increase the maximum number of directors of the Company from seven (7) to nine (9) be and is hereby authorized and approved; and
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

Election of Directors

The articles of the Company currently provide that the Board consist of a minimum of three (3) and a maximum of seven (7) directors. Shareholders have been asked at the Meeting to approve an amendment to the articles of the Company to increase the maximum number of directors to nine (9). The Board currently consists of six (6) directors who are being nominated for re-election. **Unless authorization to do so is withheld, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the election of all six (6) nominees whose names are set forth below.**

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Company following his or her election unless his or her office is earlier vacated in accordance with the Company's current by-laws.

The Company has the following committees: (i) Audit Committee; (ii) Nominating & Corporate Governance Committee; (iii) Compensation Committee; (iv) Environmental, Health, Safety & Social Responsibility Committee; and (v) Disclosure Committee. The members of the Disclosure Committee are Patrick Downey, President and CEO, Fausto Taddei, CFO and Deepk Hundal, In-house Counsel and Corporate Secretary. The members of the Company's other committees are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees as at April 22, 2010, is as follows:

Name, Province/State and Country of Residence	Position with the Company and Periods Served	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Patrick Downey ⁽⁴⁾ British Columbia, Canada	President, CEO & Director of the Company since April 2007	1,062,226
John Ivany ⁽²⁾⁽³⁾ Alberta, Canada	Director since September 2009	Nil
Patrick Mars ⁽¹⁾⁽²⁾ Ontario, Canada	Chairman of the Board since March 2008 and Director of the Company since January 2006	65,000
Elizabeth Martin ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director of the Company since March 2008	Nil
Tom Ogryzlo ⁽³⁾⁽⁴⁾ San Jose, Costa Rica	Director since November 2009	Nil
William Murray ⁽¹⁾⁽³⁾⁽⁴⁾ British Columbia, Canada	Director of the Company since July 2007	49,800

Notes:

- (1) Member of the Audit Committee – Elizabeth Martin is the Chairman of the committee.
- (2) Member of the Nominating & Corporate Governance Committee – Elizabeth Martin is the Chairman of the committee.
- (3) Member of the Compensation Committee – William Murray is the Chairman of the committee.
- (4) Member of the Environmental, Health, Safety & Social Responsibility Committee – William Murray is the Chairman of the committee.

The principal occupation, business or employment of each of the proposed directors within the last five years is disclosed in the brief biographies set out below.

Patrick Downey, President, Chief Executive Officer and Director. Mr. Downey was appointed President and CEO of Aura Minerals on April 4, 2007 bringing with him over 25 years of international experience in the resource industry. Mr. Downey was President, CEO and Director of Viceroy Exploration Ltd. prior to its acquisition by Yamana Gold Inc. in 2006 for approximately C\$600 million. Prior to that, he was President of Consolidated Trillion Resources Ltd. and Oliver Gold Corporation, where he negotiated the successful merger to form Canico Resource Corp., which was purchased in 2006 by Vale S.A. for over C\$800 million. He has held senior engineering positions at several large-scale gold mining operations and operating positions at several mining projects for Anglo American Corporation in South Africa. Mr. Downey is also a director of a number of other resource companies.

John Ivany, Director. Mr. Ivany was appointed to the Board of Directors in September 2009, and brings with him 35 years of experience in the mining industry. In 2006, Mr. Ivany retired from Kinross Gold Corporation having served as Executive Vice President since 1995. Prior to this, he held executive positions with several resource companies including Noranda Inc., Hemlo Gold Mines Ltd., Prime Resources Corp. and International Corona Corporation. He is currently a director of Allied Nevada Gold Corp., Breakwater Resources Ltd., B2Gold Corporation and Eurogas International Corp.

Patrick Mars, Chairman of the Board and Director. Mr. Mars was appointed non-executive Chairman of the Board in March 2008. He is an independent consultant specializing in mine financing and analysis and has over 30 years of experience in the Canadian investment industry. For the majority of his career he was with Alfred Bunting & Co./Bunting Warburg, a Canadian investment dealer and stockbroker where he was President and CEO from 1981 to 1994. During this time he served three year terms both as a governor of the Toronto Stock Exchange and director of the Investment Dealers Association. From 1999 to 2001, Mr. Mars served as the Chairman and a director of First Marathon Securities (UK) Ltd., prior to the company's acquisition by National Bank of Canada, and subsequently served as a director of NBC Financial (UK) Ltd. Presently, he is a director of Yamana Gold Inc., Carpathian Gold Inc., Sage Gold Inc. and Selwyn Resources Ltd., as well as the President of P.J. Mars Investments Limited, a private company. Mr. Mars is also on the board of directors of the Renascent Foundation, a charitable organization.

Elizabeth Martin, Director. Ms. Martin is a corporate director and professional accountant with a strong background in international exploration and mining projects. She has held senior financial management and executive roles in base metal and precious metal companies such as Northgate Mines Inc., Western Mining Corporation, IAMGOLD Corporation and High River Gold Mines Ltd. Ms. Martin, who is a certified member of the Institute of Corporate Directors, is currently on the boards of Manicouagan Minerals Ltd. and Marengo Mining Limited and is also on the board of directors of Sunnybrook Health Sciences Centre in Toronto. In the past five years, in addition to serving as a financial consultant in the mining sector (2001 to 2006), she was on the board of Goldbelt Resources Ltd. (2005 to 2008), and was the chair of the board of St. John's Rehabilitation Hospital in Toronto (2005 to 2008).

Tom Ogryzlo, Director. Mr. Ogryzlo has over 35 years of experience in the development, financing, design, construction and operation of global mining, industrial and energy projects, particularly within Latin America. Mr. Ogryzlo has held executive management positions with a number of mining and engineering companies, who have operated worldwide. He is presently Senior Vice President of Latin American Operations for Ram Power Corp. and President and CEO of Ram's subsidiary, Polaris Geothermal Inc., a geothermal power producer. Among his previous positions, he has held the roles of President and CEO of Black Hawk Mining, a gold producer, President of Kilborn SNC-Lavalin, a large engineering contractor, and President of Cerro Matoso S.A., a large ferro nickel producer. Mr. Ogryzlo has been a director of many public companies, including Polaris Geothermal Inc., Franco-Nevada Mining, Baja Mining Corp. and Vista Gold Corp.

William Murray, Director. Mr. Murray is a Professional Engineer with over 30 years of international mining experience in operations, engineering and construction. During the period of March 2003 and February 2008, Mr. Murray was President and CEO of PolyMet Mining Corp. where he has been instrumental in developing and advancing the large-scale poly-metallic NorthMet project located in the Minnesota Iron Range. He is currently Executive Chairman and a director of PolyMet Mining Corp. and a director of South American Silver Corp. and Prospero Silver Corp. Mr. Murray previously worked in senior management positions at Denison Mines, Anglo American Corporation and Fluor Daniel. Most notably, in the mid-1980s Mr. Murray was part of a consortium that bought Placer's Craigmont Copper Mine, located in British Columbia, principally for its by-product iron in the form of magnetite. Mr. Murray was directly responsible for the successful design, construction and operation of the magnetite recovery plant which is still in operation.

Except as described below, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, CEO or CFO of any company (including the Company) that,
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

On April 14, 2005, the Ontario Securities Commission issued a definitive management cease trade order which superseded a temporary management cease trade order dated April 1, 2005 against all the directors and officers of Kinross Gold Corporation ("Kinross"), including John Ivany, in connection with Kinross' failure to file its audited financial statements for the year ended December 31, 2004. The management cease trade order was lifted on February 22, 2006.

Except as described below, no proposed director has been subject to:

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

Mr. Ivany was subject to a ruling by the British Columbia Securities Commission ("BCSC") dated December 19, 1990 in connection with his position as a director and officer of Prime Resources Corporation ("Prime") and Calpine Resources Inc. ("Calpine"). The BCSC found that Prime and Calpine, as applicable, contravened the *Securities Act* (British Columbia) by: (a) failing to provide material disclosure of drilling results prior to granting or repricing options; (b) failing to disclose, on a timely basis, information regarding a private placement by Calpine where Prime was the purchaser of two million units and the effect of the private placement on the control of Calpine. Calpine was also found to have misled the Vancouver Stock Exchange by representing that the private placement was to be brokered by Prime Equities and that there were no material changes in the affairs of Calpine not previously disclosed; and (c) failing to disclose, on a timely basis, a default by Canarim Investment Corporation under a guaranteed agency agreement in respect of one million units under a public offering of Prime. The BCSC ruling suspended Mr. Ivany from trading in shares for a period of one year through the removal of trading exemptions under the *Securities Act* (British Columbia).

Mr. Ivany was also the subject of enforcement proceedings by the Alberta Securities Commission *In Re Cartaway Resources Corp.* In its order dated February 22, 2001, the Alberta Securities Commission found that Mr. Ivany, as Chief Executive Officer of Cartaway Resources Corp., had allowed the issuance of a press release that contained a material factual error in violation of the securities laws of the Province of Alberta. As a result, Mr. Ivany was prohibited from acting as a director or officer of any "junior issuer" for a period of five years and ordered to pay costs in the amount of C\$20,000.

Appointment of Auditor

PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia ("PwC"), are the auditors of the Company.

Unless authorization to do so is withheld, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the re-appointment of PwC as the auditors of the Company to hold office for the ensuing year with remuneration to be fixed by the Board.

Approval of the Treasury Share Unit Plan

As part of a comprehensive review of the Company's executive compensation plans, in April 2010 the Board adopted the TSU Plan. Shareholders will be asked at the Meeting to consider, and if thought advisable, approve the TSU Plan by an ordinary resolution. A copy of the TSU Plan is attached as Appendix "A" to this Information Circular.

The TSU Plan authorizes the Compensation Committee to grant units (in this section, "Share Units") consisting of restricted share units ("RSUs") and/or performance units ("PSUs") to eligible employees, officers and consultants of the Company or an Aura Entity (defined below) (in this section only, collectively, the "eligible participants") with such Share Units to be settled in the form of Common Shares of the Company. As at the date of this Information Circular, no Share Units have been granted under the TSU Plan.

The principal purposes of the TSU Plan are to promote a further alignment of interests between eligible participants and the shareholders of the Company, to associate a portion of eligible participants' compensation with the returns achieved by shareholders of the Company and to attract and retain employees, officers and consultants with the knowledge, experience and expertise required by the Company.

Under the terms of the TSU Plan, eligible participants may be granted RSUs or PSUs. Each RSU will vest in accordance with applicable Time Vesting conditions (relating to the continued service with the Company or a controlled entity of the Company such as a subsidiary, partnership or trust (an "Aura Entity") and which may be graduated by percentages, including a percentage in excess of 100%) and the holder will be entitled to exercise such Share Unit so as to be issued the number of Common Shares pursuant to such vesting conditions designated in the RSU. Each PSU will vest in accordance with applicable Performance Vesting conditions, and the holder will be entitled to exercise such PSU so as to be issued the number of Common Shares pursuant to such vesting conditions designated in the PSU. For this purpose, Performance Vesting conditions means such financial and/or personal performance criteria as may be determined by the Compensation Committee in respect of any grant of Share Units which may apply to, among others, the Company, an Aura Entity, a business unit of the Company or any combination thereof, and which may be graduated by percentages, including a percentage in excess of 100%. Pursuant to the TSU Plan, the Compensation Committee may in its sole and absolute discretion impose additional or different vesting conditions to the Time Vesting or Performance Vesting conditions.

The TSU Plan provides that the maximum expiry date for a Share Unit shall not exceed ten years from the grant date, subject to extension in the event of a blackout period imposed upon a grantee, in which case such expiry date shall be extended to the date which is ten business days from the date that the blackout period ends. For this purpose, a blackout period is a period of time imposed by the Board pursuant to the Company's disclosure policies on certain designated persons during which those persons may not trade in any securities of the Company.

The TSU Plan provides that the maximum number of Common Shares that are reserved for issuance from time to time pursuant to Share Units shall not exceed 0.5% of the issued and outstanding Common Shares. The aggregate number of Common Shares issuable to any single eligible participant pursuant to outstanding Share Units shall not exceed 0.5% of the issued and outstanding Common Shares. In addition, the number of Common Shares issuable to insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of Aura Minerals, shall not exceed 10% of the issued and outstanding Shares and the number of Common Shares issued to insiders, within any one year period, under all security based compensation arrangements of Aura Minerals, shall not exceed 10% of the issued and outstanding Shares.

The TSU Plan provides that a grant of a Share Unit may, but need not, provide for the accrual of dividend equivalent amounts for the account of an eligible participant, or the payment of cash dividend equivalents with respect to cash dividends paid in the ordinary course to shareholders in respect of outstanding Common Shares. If a grant so provides, if and when cash dividends are paid with respect to Common Shares (other than any extraordinary dividend), a number of additional Share Units shall be granted to the eligible participant equal to the greatest number of whole Common Shares having a market value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Common Share multiplied by (ii) the number of Share Units subject to such grant as of the record date for the dividend. The additional Share Units granted to an eligible participant shall be subject to the same terms and conditions, including vesting and settlement terms, as the corresponding Share Units. For this purpose, market value is the volume weighted average trading price per Common Share on the TSX during the immediately preceding five trading days. Aura Minerals at present does not pay dividends.

The Compensation Committee may, in its sole discretion, determine that a grant is vested in relation to all or a percentage of the Share Units covered thereby for all or any grants at any time and from time to time.

In the event of a Change in Control, the Compensation Committee may determine, in its sole discretion that all Share Units shall become vested on the effective date of the Change in Control, or that for any Share Unit there shall be substituted an entitlement to cash or such other securities into which Common Shares are changed, or are convertible or exchangeable, on a basis proportionate to the number of Common Shares to which the grantee would otherwise be entitled or some other appropriate basis.

If a grantee ceases to be an eligible participant as a result of termination for cause, no unvested Share Units shall vest following the date of termination. Unless otherwise determined by the Compensation Committee, if a grantee ceases to be an eligible participant as a result of being terminated without cause, the number of Share Units that would have vested had that eligible participant remained an eligible participant for a period of three months after the date on which he or she received notice of termination shall vest on the date on which he or she receives such notice.

Unless otherwise determined by the Compensation Committee, if a grantee ceases to be an eligible participant by reason of death, disability or retirement prior to the end of the vesting period relating to a grant of Share Units, a portion of such Share Units shall become vested Share Units on such date of death, disability or retirement, as applicable. The portion of such Share Units which shall so become vested shall be proportionate to the total number of months between the date of grant of such Share Units and the eligible participant's date of death, disability or retirement, as applicable (rounded up to the nearest whole number of months), as compared to the total number of months between the date of grant of such Share Units and the end of the vesting period relating to such Share Units.

Except in the case of death, the right to receive Common Shares pursuant to a Share Unit granted to an eligible participant may only be exercised by such eligible participant personally. No assignment, sale, transfer, pledge or charge of a Share Unit, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Share Unit whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Share Unit shall terminate and be of no further force or effect, provided that (a) the rights of a grantee in respect of a Share Unit are transferable upon death of the grantee, and (b) the grantee may transfer or assign the rights of a Share Unit to minor children or minor grandchildren or the spouse of the grantee, or a trust or holding company of which the grantee is a trustee or director and the beneficiaries or shareholders of which are a combination of the grantee, grantee's spouse or grantee's minor children or minor grandchildren, in accordance with such requirements as the Compensation Committee may from time to time determine.

Aura Minerals has the right to amend from time to time the terms and conditions of the TSU Plan or any Share Units granted under it, or terminate the TSU Plan, by resolution of the Board without shareholder approval. However, the TSU Plan or any Share Unit granted under it, may not be amended without shareholder approval to (a) increase the number of Common Shares under the TSU Plan issuable on exercise of Share Units, (b) extend the expiry date of any outstanding Share Unit, (c) permit a grantee to transfer or assign Share Units other than as permitted under the TSU Plan, (d) increase the number of Common Shares that may be issued to insiders above the restrictions set forth in the TSU Plan, (e) extend the maximum expiry date under the TSU Plan beyond ten years, (f) add additional categories of grantees, or (g) amend the amendment provisions of the TSU Plan to delete any of the foregoing matters requiring shareholder approval. No amendment of the TSU Plan or Share Units granted pursuant to the TSU Plan may be made without the consent of the grantee, if it adversely alters or impairs the rights of the grantee in respect of any Share Unit previously granted to such grantee under the TSU Plan.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "TSU Plan Resolution"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the TSU Plan. The Board and management recommend the adoption of the TSU Plan Resolution. In the event the TSU Plan is not approved by shareholders at the Meeting, Aura Minerals will consider the provision of comparable compensation to the eligible participants in the form of cash or by other appropriate arrangements.

The TSX has conditionally accepted the TSU Plan, subject to shareholder approval. To be effective, the TSU Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. **Unless authorization to do so is withheld, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the TSU Plan Resolution.**

The text of the TSU Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

"NOW THEREFORE BE IT RESOLVED THAT:

1. the TSU Plan, the full text of which is attached to the management information circular of the Company dated April 22, 2010 as Appendix "A" be and is hereby approved until May 27, 2013 or, if the policies of the TSX so permit at the applicable time, until the third next annual general meeting of the Company, at which time all unallocated awards under the TSU Plan are to be re-approved; and
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution."

Approval of the 2010 Stock Option and Share Compensation Plan

The 2007 Stock Option and Share Compensation Plan is the Company's current stock option and share compensation plan, which was approved by the shareholders of the Company on July 13, 2007. Pursuant to the 2007 Stock Option and Share Compensation Plan and as at the date of this Information Circular, an aggregate of 14,688,148 Common Shares, representing 7.6% of the Company's issued and outstanding Common Shares are issuable pursuant to outstanding stock options and no Common Shares have been issued as bonus shares under the 2007 Stock Option and Share Compensation Plan, leaving an aggregate of 3,567,511 Common Shares, representing 1.9% of the Company's issued and outstanding Common Shares available for the future grant of stock options or issuance of bonus shares. The 2007 Stock Option and Share Compensation Plan is further discussed under the heading, "*Executive Compensation – Option Based Awards*".

Pursuant to the 2007 Stock Option and Share Compensation Plan, the stock option and share compensation plan must be approved by shareholders every three years. Accordingly, the Board has approved, subject to TSX acceptance and shareholder approval, the 2010 Stock Option and Share Compensation Plan, which is substantially similar to the 2007 Stock Option and Share Compensation Plan, except as noted below. A copy of the full text of the 2010 Stock Option and Share Compensation Plan is included as Appendix "B" to this Information Circular.

Under the 2010 Stock Option and Share Compensation Plan, as with the 2007 Stock Option and Share Compensation Plan, the number of stock options and bonus shares that may be authorized and made subject to stock options and bonus shares, together with any other Common Shares subject to a security-based compensation arrangement, (unless otherwise approved by shareholders), shall not exceed 10% of the Company's issued and outstanding Common Shares as at the date of grant. However, the 2010 Stock Option and Share Compensation Plan contains a provision that the number of Common Shares which may be issued as bonus shares must not exceed 250,000 in any calendar year. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2010 Stock Option and Share Compensation Plan, and any exercises of stock options will make new grants available under the 2010 Stock Option and Share Compensation Plan. However, bonus shares issued in any calendar year will not be added to the issued capital in that calendar year for the purposes of increasing the number of stock options available for issuance under the 2010 Stock Option and Share Compensation Plan. The 2010 Stock Option and Share Compensation

Plan will replace the 2007 Stock Option and Share Compensation Plan such that the 2010 Stock Option and Share Compensation Plan will be the Company's only stock option and share compensation plan. Stock options which are outstanding under the 2007 Stock Option and Share Compensation Plan and the provisions as to bonus shares will be rolled into the 2010 Stock Option and Share Compensation Plan and will be governed by the 2010 Stock Option and Share Compensation Plan, except to the extent provisions as to granted stock options are inconsistent with the 2010 Stock Option and Share Compensation Plan, in which case they will be governed by the stock option agreement evidencing their issuance. If the 2010 Stock Option and Share Compensation Plan becomes effective, no new stock options or bonus shares will be granted under the 2007 Stock Option and Share Compensation Plan.

The purpose of the 2010 Stock Option and Share Compensation Plan continues to be to attract, retain and motivate directors, officers, employees and service providers of the Company and its subsidiaries (collectively the "Optionees") and thereby advance the Company's interests by affording such persons an opportunity to acquire an equity interest in the Company through the grant of stock options and issuance of bonus shares. Bonus shares may be issued in consideration of the fair value of the extraordinary contribution to the advancement of the Company by a recipient as determined by the Board, in its discretion, and shall be issued at a deemed price determined by the Board at the time of issuance of such bonus shares, but such price shall not be less than the Market Price (as such term is defined in the TSX Manual).

The 2010 Stock Option and Share Compensation Plan authorizes the Board to grant stock options or issue bonus shares to the Optionees on the following terms:

1. The number of shares subject to each stock option and grant of bonus shares is determined by the Board (or Compensation Committee) provided that the 2010 Stock Option and Share Compensation Plan, together with all other previously established or proposed share compensation arrangements, may not result in:
 - (a) the number of Common Shares reserved for issuance pursuant to stock options, bonus shares and any other securities-based compensation arrangements granted to insiders exceeding 10% of the outstanding issue;
 - (b) the issuance, to insiders of the Company of a number of Common Shares exceeding, within a one year period, 10% of the outstanding issue;
 - (c) the issuance, to any one insider of the Company and such insider's associates, of a number of Common Shares exceeding, within a one year period, 5% of the outstanding issue; or
 - (d) the number of Common Shares reserved for issuance pursuant to stock options and bonus shares granted to any one person exceeding 5% of the outstanding issue.

The outstanding issue is determined on the basis of the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of stock options or issuance of bonus shares, excluding any bonus shares issued during the current calendar year.

2. The maximum number of Common Shares which may be issued made subject to stock options and bonus shares granted under the 2010 Stock Option and Share Compensation Plan and pursuant to any other security-based compensation plan, unless otherwise approved by shareholders, is 10% of the issued and outstanding Common Shares at the time of the grant and provided that the number of Common Shares which may be issued as bonus shares in any calendar year may not exceed 250,000. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the 2010 Stock Option and Share Compensation Plan, and any exercises of stock options will make new grants available under the plan. However, bonus shares issued in any calendar year will not

be added to the issued capital in that calendar year for the purposes of increasing the number of stock options available for issuance under the Stock Option and Share Compensation Plan.

3. The 2010 Stock Option and Share Compensation Plan must be approved and ratified by shareholders every three years.
4. The exercise price of a stock option and the deemed issuance price of bonus shares may not be set at less than the Market Price as defined in the TSX Manual, which currently means the volume weighted average trading price for the five trading days immediately preceding the date of grant or date of issuance, as applicable.
5. The 2010 Stock Option and Share Compensation Plan allows for the transformation of stock options into share appreciation rights whereby an Optionee may elect to terminate all or portion of their stock options (any stock options so terminated being hereinafter referred to as the "Terminated Options") in order to receive that number of Common Shares ("Share Appreciation Shares"), disregarding fractions, which when multiplied by the Market Price (as defined below) of the Common Shares to which the Terminated Options relate (the "Terminated Option Shares") has a value equal to the product of the Terminated Option Shares multiplied by the difference between the Market Price and the exercise price per share of the Terminated Option Shares (the "Exercise Price"), less any amount withheld on account of income taxes, as illustrated by the formula below:

$$\frac{(\text{Number of Terminated Stock Shares}) \times (\text{Market Price less Exercise Price})}{(\text{Market Price})} = \text{Number of Share Appreciation Shares}$$

For the purposes hereof, "Market Price" means the volume weighted average trading price for the five trading days immediately preceding the date of termination of the Terminated Options.

6. The stock options may be exercisable for a period of up to ten years, and are non-assignable, except other than pursuant to a will or by the laws of descent and distribution. The period of time during which options may be exercised and the vesting provisions associated with such options are to be determined by the Board (or Compensation Committee) at the time of grant.
7. Where a blackout period is imposed by the Company and the specified expiry date of a stock option (i.e., the expiry date determined at the date time of grant) falls within the blackout period or within five (5) trading days after such blackout period, such stock option will expire on the date that is 10 trading days following the end of the blackout period.
8. If an Optionee shall cease to be a director, officer, employee or service provider for cause, no stock option held by such Optionee shall be exercisable following the date on which such Optionee ceases to be so engaged. In other circumstances, the stock options can be exercised by the Optionee:
 - (i) as long as the Optionee is a director, officer, employee or service provider to the Company or its subsidiaries, or within a period of not more than 365 days after ceasing to be a director, officer, employee or service provider, or
 - (ii) if the Optionee dies, within one (1) year from the date of the Optionee's death.
9. On the receipt of a takeover bid, issuer bid, going private transaction or change of control, any unvested stock options shall be immediately exercisable.
10. The 2010 Stock Option and Share Compensation Plan does not provide for financial assistance by the Company to any Optionee.

11. The directors may from time to time in their absolute discretion amend, modify and change the provisions of a stock option or the 2010 Stock Option and Share Compensation Plan without obtaining approval of shareholders to:
- (i) make amendments of a "housekeeping" nature;
 - (ii) change vesting provisions;
 - (iii) change termination provisions for an insider provided that the expiry date does not extend beyond the original expiry date;
 - (iv) change termination provisions, which do extend beyond the original expiry date for an Optionee who is not an insider;
 - (v) reduce the exercise price of a stock option for an Optionee who is not an insider; and
 - (vi) make any other amendments of a non-material nature, which are approved by the TSX.

All other amendments will require approval of shareholders and the TSX.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "2010 Stock Option and Share Compensation Plan Resolution"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the 2010 Stock Option and Share Compensation Plan. The Board and management recommend the adoption of the 2010 Stock Option and Share Compensation Plan Resolution. In the event the 2010 Stock Option and Share Compensation Plan is not approved by shareholders at the Meeting, Aura Minerals will consider the provision of comparable compensation to the eligible participants in the form of cash or by other appropriate arrangements.

The TSX has conditionally accepted the 2010 Stock Option and Share Compensation Plan, subject to shareholder approval. To be effective, the 2010 Stock Option and Share Compensation Plan Resolution must be approved by not less than a simple majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

In the event that the requisite majority of votes is not obtained at the Meeting, all currently outstanding options under the 2007 Stock Option and Share Compensation Plan will remain in force. However, any such options that expire or are terminated without being exercised will NOT be available for re-grant.

Unless authorization to do so is withheld, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the 2010 Stock Option and Share Compensation Plan Resolution.

The text of the 2010 Stock Option and Share Compensation Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

"NOW THEREFORE BE IT RESOLVED THAT:

1. the 2010 Stock Option and Share Compensation Plan, the full text of which is attached to the management information circular of the Company dated April 22, 2010 as Appendix "B" be and is hereby approved until May 27, 2013 or, if the policies of the TSX so permit at the applicable time, until the third next annual general meeting of the Company; and

2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution."

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com or on the Company's website at www.auraminerals.com.

A copy of the Company's audited consolidated financial statements for the year ended December 31, 2009, the management's discussion and analysis relating thereto and AIF may be found on SEDAR at www.sedar.com or be obtained by contacting the Company at:

Aura Minerals Inc.
P.O. Box 10434, Pacific Centre
Vancouver, B.C. V7Y 1K4
Tel: (604) 669-4777
Fax: (604) 696-0212
Email: info@auraminerals.com

DATED this 22nd day of April, 2010

ON BEHALF OF THE BOARD

"Patrick Downey"

PATRICK DOWNEY
President and Chief Executive Officer

APPENDIX “A”
AURA MINERALS INC.
TREASURY SHARE UNIT PLAN

The Board of Directors of Aura Minerals Inc. (the “**Corporation**”) has adopted this Treasury Share Unit Plan (the “**Plan**”) governing the issuance of Share Units (as defined herein) of Aura Minerals Inc. to Eligible Participants (as defined herein).

1. Purposes of the Plan

The principal purposes of the Plan are as follows:

- (a) to promote a further alignment of interests between employees and the shareholders of the Corporation;
- (b) to associate a portion of employees’ compensation with the returns achieved by shareholders of the Corporation; and
- (c) to attract and retain employees with the knowledge, experience and expertise required by the Corporation.

2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules;
- (b) “**Aura Entities**” means, collectively, any of the Corporation’s subsidiaries, partnerships, trusts or other controlled entities.
- (c) “**Black-Out Extension Term**” means ten (10) Business Days from the date that any Black-Out Period ends;
- (d) “**Black-Out Period**” means a period of time imposed by the Board pursuant to the disclosure policy of the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;
- (e) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;
- (f) “**Business Day**” means a day other than a Saturday, Sunday or a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (g) “**Cause**” in respect of a Grantee means
 - (i) that the Grantee has been guilty of fraud or serious misconduct in circumstances which would make him unsuitable to continue to discharge his duties of employment or provide services to the Corporation or another Aura Entity;
 - (ii) that the Grantee has committed a material breach of the terms of his contract of employment or contract for services with the Corporation or an Aura Entity, as applicable;

- (iii) that the Grantee is unwilling to satisfactorily perform the duties and functions assigned to him;
 - (iv) that the Grantee has made a material misrepresentation to the Corporation or an Aura Entity with respect to the Grantee's work history, educational qualifications or skills relevant to the duties and functions assigned to him;
 - (v) "just cause" "or "cause" for Termination by the Corporation or an Aura Entity as determined under Applicable Law;
- (h) **"Change of Control"** means:
- (i) a successful "take-over bid" (as defined in the *Securities Act* (British Columbia), as amended, or any successor legislation thereto) pursuant to which either (i) the "offeror" beneficially owns in excess of 20% of the outstanding Common Shares and the "offeror" has at least one of its nominees elected to the Board, or (ii) the "offeror" beneficially owns in excess of 33.3% of the outstanding Common Shares;
 - (ii) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate total 20% or more of the then issued and outstanding Common Shares and such person, or group of persons, has at least one of its nominees elected to the Board;
 - (iii) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate total 33.3% or more of the then issued and outstanding Common Shares;
 - (iv) the sale of all or substantially all of the assets of the Corporation;
 - (v) the liquidation, winding-up or dissolution of the Corporation;
 - (vi) pursuant to an arrangement or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the reorganization will hold directly or indirectly less than 45% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
 - (vii) an event that the Board determines to be a Change of Control has occurred for the purposes of this Plan;
- (i) **"Committee"** means the Compensation Committee of the Board or such other committee of the Board which may be appointed by the Board to, among other things, interpret, administer and implement the Plan;
- (j) **"Consultant"** has the meaning provided for the purposes of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (k) **"Common Shares"** means the common shares of the Corporation;
- (l) **"Disability"** means the Grantee's physical or mental incapacity that prevents him from substantially fulfilling his duties and responsibilities on behalf of the Corporation or, if applicable, an Aura Entity, as determined by the Committee and in, the case of a Grantee who is an employee of the Corporation or Aura Entity, in respect of which the Grantee commences

receiving, or is eligible to receive, disability benefits under the Corporation's or an Affiliate's short-term or long-term disability plan.

- (m) **"Disability Date"** means, in relation to a Grantee, that date determined by the Committee to be the date on which the Eligible Participant experienced a Disability.
- (n) **"Dividend"** means a dividend paid by the Corporation in respect of the Common Shares, whether of cash, Common Shares or other securities or other property, expressed as an amount per Common Share;
- (o) **"Dividend Payment Date"** means any date that a Dividend is distributed to Shareholders;
- (p) **"Dividend Record Date"** means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (q) **"Eligible Participant"** means such employee, officer of, or Consultant providing services to the Corporation or an Aura Entity as the Committee may designate as eligible to participate in the Plan;
- (r) **"Employed"** means, with respect to a Grantee, that:
 - (i) he is performing work, as an employee, officer or Consultant, at a workplace of the Corporation or an Aura Entity; or
 - (ii) he is not actively at work at a workplace of the Corporation or an Aura Entity due to an approved leave of absence, maternity or parental leave or Disability,and **"Employment"** has a comparable meaning.
- (s) **"Exchange"** means the TSX and such other stock exchange(s) on which the Common Shares are then listed and posted for trading from time to time;
- (t) **"Expiry Date"** means the date determined by the Committee (not to exceed ten (10) years from the Grant Date), subject to extension in the event the Expiry Date occurs during a Blackout Period in which case the Expiry Date shall be extended to the last day of the Blackout Extension Term, in connection with each Grant made pursuant to the Plan upon which Vested Share Units awarded thereunder shall be issued to the Grantee of such Grant in the form of Common Shares if the Grant shall have not been exercised in respect of all Vested Share Units by the Grantee;
- (u) **"Grant"** means a grant of Share Units made pursuant to Section 7;
- (v) **"Grant Agreement"** means an agreement between the Corporation and an Eligible Participant under which a Grant is made, as contemplated by Section 4.1, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan;
- (w) **"Grant Date"** means the effective date of a Grant;
- (x) **"Grant Value"** means the dollar amount for a Grant as contemplated by Section 4 hereof;
- (y) **"Grantee"** has the meaning set forth in Section 4 hereof;
- (z) **"Insider"** has the meaning set forth in the applicable rules of the Exchange for this purpose;
- (aa) **"Issue Date"** means, with respect to any Grant, the date upon which Vested Share Units under such Grant shall be settled in the form of the issuance of Common Shares and shall be issued to the Grantee of such Grant;

- (bb) **"Market Value"** means, with respect to any particular date, the volume weighted average trading price per Common Share on the Exchange during the immediately preceding 5 Trading Days;
- (cc) **"Performance Period"** means, with respect to PSUs, the period specified by the Committee for achievement of any applicable Performance Vesting as a condition to Vesting.
- (dd) **"Performance Vesting"** means such financial and/or personal performance criteria as may be determined by the Committee in respect of a Grant to any Eligible Participant or Eligible Participants and set out in a Grant Agreement. Performance Vesting may apply to the Corporation, an Aura Entity, the Corporation and Aura Entities as a whole, a business unit of the Corporation or group comprised of the Corporation and Aura Entities or a group of Aura Entities, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparator group, or otherwise, and including a percentage in excess of 100%;
- (ee) **"PSU"** means a right, granted to an Eligible Participant in accordance with Section 3 hereof, to receive a Share or the Market Value of one Share, that generally becomes Vested, if at all, subject to the attainment of Performance Vesting conditions and satisfaction of such other conditions to Vesting, if any, as may be determined by the Committee;
- (ff) **"Retirement"** means the Eligible Participant's resignation from employment with the Corporation or an Aura Entity, as applicable, at or after age 65, or at such earlier age as the Committee may approve;
- (gg) **"RSU"** means a right granted to an Eligible Participant in accordance with Section 3 hereof, to receive a Share or the Market Value of one Share, that generally becomes Vested, if at all, following a period of continuous employment and subject to Time Vesting conditions of the Eligible Participant with the Corporation or an Aura Entity;
- (hh) **"Shareholder"** means a holder of Common Shares;
- (ii) **"Share Unit"** means either an RSU or a PSU as the context requires
- (jj) **"Stock Exchange Rules"** means the rules of the TSX and/or any other stock exchange;
- (kk) **"Termination"** or **"Date of Termination"** (or any derivative thereof) shall mean
 - (i) the date of termination of a Grantee's active employment with the Corporation or an Aura Entity (other than in connection with the Participant's transfer to employment with the Corporation or another Aura Entity), being the date on which the Grantee ceases to render services to the Corporation or Aura Entity, as applicable, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice, but not including a Grantee's absence from active work during a period of vacation, temporary illness, authorized leave of absence or short or long-term disability, and
 - (ii) in the case of a Grantee who does not return to active employment with the Corporation or an Aura Entity immediately following a period of absence due to vacation, temporary illness, authorized leave of absence or short or long-term disability, the last day of such period of absence.
- (ll) **"Time Vesting"** means any conditions relating to continued service with the Corporation or an Aura Entity for a period of time in respect of the Vesting of Share Units determined by the Committee; which may be graduated by percentages, including a percentage in excess of 100%;

- (mm) **“Trading Day”** means any date on which the Exchange is open for the trading of Shares and on which Shares are actually traded.
- (nn) **“TSX”** means the Toronto Stock Exchange;
- (oo) **“Vested”** means the applicable Time-Vesting, Performance-Vesting and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Share Units covered by a Grant determined by the Committee in connection with each RSU Grant or PSU Grant made pursuant to the Plan, as the case may be, have been met and **“Vesting”** has a comparable meaning;
- (pp) **“Vesting Date”** means a date on which the applicable Time-Vesting, Performance Vesting conditions and/or any other conditions for a Share Unit becoming Vested are met; and
- (qq) **“Vesting Period”** means, with respect to a Grant, a period specified by the Committee, commencing on the Grant Date and ending no later than immediately prior to the Expiry Date.

3. Administration

The Plan shall be administered by the Committee.

The Committee shall have the authority in its sole and absolute discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan, including, without limitation, the authority:

- (a) to make Grants of Share Units;
- (b) to determine the Grant Date for Grants, if not the date on which the Committee determines to make such Grants;
- (c) to determine the Eligible Participants to whom, and the time or times at which Grants shall be made and shall become issuable;
- (d) to determine the Grant Value for each Grant and accordingly the number of Share Units to be covered by each Grant in accordance with Section 4 hereof;
- (e) approve or authorize the applicable form and terms of the related Grant Agreements;
- (f) determine the terms and conditions of Grants granted to any Eligible Participant, including, without limitation, (A) the type of Share Unit, (B) the number of RSUs or PSUs subject to a Grant, (C) the Vesting Period(s) applicable to a Grant, (D) the conditions to the Vesting of any Share Units granted hereunder, including terms relating to Performance Vesting, Time Vesting and/or other Vesting conditions, the Performance Period for PSUs and the conditions, if any, upon which Vesting of any Share Unit will be waived or accelerated without any further action by the Committee, (E) the circumstances upon which a Share Unit shall be forfeited, cancelled or expire, (F) the consequences of a Termination with respect to a Share Unit, (G) the manner of exercise or settlement of Vested Share Units, and (H) whether and the terms upon which any Common Shares delivered upon exercise or settlement of a Share Unit must continue to be held by a Participant for any specified period;
- (g) determine whether and the extent to which any Performance Vesting or other conditions applicable to the Vesting of a Share Unit have been satisfied or shall be waived or modified;
- (h) determine whether, and the extent to which, adjustments shall be made pursuant to Section 8 and the terms of any such adjustments;

- (i) prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and Grant Agreements;
- (j) to interpret the Plan and Grant Agreements;
- (k) to determine the terms and provisions of Grant Agreements (which need not be identical) entered into in connection with Grants; and
- (l) to make all other determinations deemed necessary or advisable for the administration of the Plan.

4. Eligibility and Award Determination

In determining the Eligible Participants to whom Grants may be granted (“**Grantees**”) and the Grant Value for (and accordingly the number of Share Units to be covered by) each Grant (subject to adjustment in accordance with Time Vesting or Performance Vesting), the Committee may take into account such factors as it shall determine in its sole and absolute discretion.

The number of Share Units to be covered by each Grant shall be determined by dividing the Grant Value for such Grant by the Market Value of a Common Share as at the Grant Date, rounded up to the next whole number.

For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee’s decision to approve a Grant in any period shall not require the Board to approve a Grant to any Eligible Participant in any other period; nor shall the Committee’s decision with respect to the Grant Value or terms and conditions of a Grant in any period require it to approve a Grant of the same or similar Grant Value or with the same or similar terms and conditions to any Eligible Participant in any other period. The Committee shall not be precluded from approving a Grant to any Eligible Participant solely because such Eligible Participant may have previously received a Grant under this Plan or any other similar compensation arrangement of the Corporation or an Aura Entity. No Eligible Participant has any claim or right to receive a Grant.

5. Delegation and Administration.

The Committee may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to any committee or any one or more directors, officers or employees of the Corporation as it may determine from time to time, on terms and conditions as it may determine, except the Committee shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it, except that the Committee shall not, and shall not be permitted to, appoint or engage such a trustee, custodian or administrator to the extent such appointment or engagement is not consistent with Applicable Law.

6. Reservation of Shares

Up to 0.5% of the Common Shares issued and outstanding at any time may be issuable pursuant to this Plan at that time.

No one Eligible Participant may be granted any Grant which, together with all Grants then held by such Grantee, would entitle such Grantee to receive a number of Common Shares which is greater than 0.5% of the total outstanding Common Shares. In addition: (i) the number of Common Shares issuable to Insiders at any time, under all security based compensation arrangements of the Corporation, shall not exceed 10% of the total outstanding Common Shares; and (ii) the number of Common Shares issued to Insiders, within any one year period, under all security based compensation arrangements of the Corporation, shall not exceed 10% of the total outstanding Common Shares.

7. Terms and Conditions of Unit Awards

Each Grant granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a written agreement between the Corporation and the Grantee (a "**Grant Agreement**"). Each Grant Agreement shall set forth, at a minimum, the type and Grant Date of the Grant evidenced thereby, the number of RSUs or PSUs subject to such Grant, the applicable Vesting conditions, the applicable Vesting Period(s) and the treatment of the Grant upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Committee shall determine or as shall be required under any other provision of the Plan. The Committee may include in a Grant Agreement terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by an Eligible Participant including as a condition of the Grant or Vesting of Share Units.

Notwithstanding any other provision of this Plan, the Committee may, in its sole discretion, determine that a Grant is Vested in relation to all or a percentage of the Share Units covered thereby for all or any Grants at any time and from time to time.

In the event of both (a) any Change of Control prior to the Vesting Dates, and (b) the Grantee's Employment is, subsequent to such Change of Control, terminated without cause, all Common Shares awarded pursuant to any Grant that have not yet been issued as of such time shall be Vested.

The Committee may prescribe terms for Grant Agreements in respect of Eligible Participants who are subject to the laws of a jurisdiction other than Canada in connection with their participation in the Plan that are different than the terms of the Grant Agreements for Eligible Participants who are subject to the laws of Canada in connection with their participation in the Plan, and/or deviate from the terms of the Plan set out herein, for purposes of compliance with Applicable Law in such other jurisdiction or where in the Committee's opinion such terms or deviations are necessary or desirable to obtain more advantageous treatment for the Corporation, an Aura Entity or the Eligible Participants in respect of the Plan under the Applicable Law of the other jurisdiction.

8. Accounts, Dividend Equivalents and Reorganization

- (a) Share Unit Account - An account, called a "Share Unit Account", shall be maintained by the Corporation, or an Affiliate, as specified by the Committee, for each Eligible Participant and will be credited with such notional grants of Share Units as are received by an Eligible Participant from time to time pursuant to Section 4 and any dividend equivalent Share Units pursuant to Section 8(b). Share Units that fail to Vest in an Eligible Participant, or that are paid out to the Eligible Participant, shall be cancelled and shall cease to be recorded in the Eligible Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be. For greater certainty, where an Eligible Participant is granted both RSUs and PSUs, such RSUs and PSUs shall be recorded separately in the Eligible Participant's Share Unit Account.
- (b) Dividend Equivalent Share Units - A Grant Agreement relating to a grant of RSUs or PSUs may, but need not, provide for the accrual of dividend equivalent amounts for the account of an Eligible Participant hereinafter provided. If a Grant Agreement provides that dividend equivalent amounts will be accrued in respect of RSUs or PSUs, if and when cash dividends are paid with respect to Common Shares (other than any extraordinary dividend) to shareholders of record as of a record date occurring during the period from the Grant Date under the Grant Agreement to the date of settlement of the RSUs or PSUs granted thereunder, a number of additional RSUs or PSUs, as the case may be, shall be granted to the Eligible Participant who is a party to such Grant Agreement equal to the greatest number of whole Common Shares having a Market Value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Share multiplied by (ii) the number of RSUs or PSUs subject to such Grant as of the record date for the dividend. The additional RSUs or PSUs granted to a Participant shall be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

- (c) Adjustments - In the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other similar changes affecting the Common Shares, a proportionate adjustment to reflect such change or changes shall be made with respect to the number of Share Units outstanding under the Plan, or securities into which the Common Shares are changed or are convertible or exchangeable may be substituted for Common Shares under this Plan, on a basis proportionate to the number of Share Units in the Eligible Participant's Share Unit Account or some other appropriate basis, all as determined by the Committee in its sole discretion.

9. Issuance of Common Shares

The number of Common Shares that are issuable to the Grantee on the Issue Date shall be issued from treasury by the Corporation, as fully paid and non-assessable shares in consideration of past services valued by the Board at no less than the Market Value of the number of Common Shares issued thereunder. No fractional Common Shares will be issued and all fractional entitlements shall be rounded to the nearest whole number.

10. Delivery of Common Shares

- (a) As soon as practicable following a Vesting Date and upon receipt of a notice from the Grantee of exercise of all or a portion of the Share Units covered by such Grant which are Vested; or
- (b) immediately prior to the Expiry Date, as it may be extended in accordance with this Plan,

such day being the Issue Date, the Corporation shall either (i) cause the certificates representing the issued Common Shares to be delivered to the Grantee (or as the Grantee may direct) subject to Section 14 hereof, and send by prepaid mail or delivered to the Grantee or, alternatively (ii) subject to Section 14 hereof, pay to the Grantee the Market Value of such Common Shares.

Notwithstanding anything to the contrary contained in this Section 10, with respect to RSUs and PSUs that are subject to U.S. federal income taxation the applicable Grant Agreements will set out the terms governing the timing of the delivery of Common Shares in settlement of such RSUs and PSUs where they become Vested, and those terms shall be such that the RSUs and PSUs either will be exempt from, or will comply with, the provisions of Section 409A of the Internal Revenue Code of 1986 as amended and applicable guidance thereunder, provided that in no event will the Issue Date be later than the Expiry Date except as otherwise permitted under Section 17 hereof.

11. Termination of Employment

- (a) Continued Employment – Subject to this Section 11, Share Units subject to a Grant shall vest in such proportion(s) and on such Vesting Date(s) as may be specified in the Grant Agreement governing such Grant provided that the Grantee is Employed on the relevant Vesting Date. For greater certainty, a Grantee shall not be considered to be Employed on a Vesting Date if, prior to such Vesting Date, such Grantee received a payment in lieu of notice of Termination of employment, whether under a contract of employment, as damages or otherwise, or if a Disability Date is determined by the Committee in respect of such Grantee.
- (b) Termination of Employment for Cause – In the event a Grantee's employment is Terminated for Cause by the Corporation, or an Aura Entity, as applicable, prior to the end of the Vesting Period relating to a Grant, no Share Units relating to such Grant and no dividend equivalent Share Units in respect of such Share Units that have not Vested and been settled prior to the date of the Grantee's Termination for Cause shall Vest.

- (c) Termination of Employment without Cause – Unless otherwise determined by the Committee, in the event a Grantee’s employment is Terminated by the Corporation, or an Aura Entity, as applicable, without Cause prior to the end of a Vesting Period relating to a Grant, the number of Share Units that would, under the terms of the Grant Agreement governing such Grant or Section 7 or Section 16, as applicable, become Vested had the Grantee remained Employed for a period of three months after the date on which he or she received notice of Termination shall vest on the date on which he or she receives such notice.
- (d) Death, Disability or Retirement – Unless otherwise determined by the Committee, in the event a Grantee ceases to be Employed by reason of death, Disability or Retirement prior to the end of the Vesting Period relating to a Grant, a number of Share Units determined by the formula $A \times B/C$, where
- (A) equals the total number of Share Units relating to such Grant and dividend equivalent Share Units in respect of such Share Units,
 - (B) equals the total number of months between the Grant Date for such Grant and the Eligible Participant’s date of death, Disability Date or date of Retirement, as applicable (rounded up to the nearest whole number of months), and
 - (C) equals total number of months between the Grant Date for such Grant and the end of the Vesting Period relating to such Grant,

shall become Vested Share Units, inclusive of Share Units otherwise Vested in accordance with their terms, on such date of death, Disability Date or date of Retirement, as applicable, provided that, in the case of a Grant of PSUs, for the purpose of factor A, above the total number of Share Units relating to such Grant shall be the number of PSUs specified in the Grant Agreement for such Grant without giving effect to any potential increase or decrease in such number as a result of graduated Performance Vesting conditions, together with any related dividend equivalent PSUs credited to the Grantee’s Share Unit Account at the Eligible Participant’s date of death, Disability Date or date of Retirement, as applicable.

12. Rights as a Shareholder

Until the Common Shares granted pursuant to any Grant have been issued in accordance with the terms of the Plan, the Eligible Participant to whom such Grant has been made shall not possess any incidents of ownership of such Common Shares including, for greater certainty and without limitation, the right to receive cash Dividends on such Common Shares and the right to exercise voting rights in respect of such Common Shares. Such Eligible Participant shall only be considered a Shareholder in respect of such Common Shares when such issuance has been entered upon the records of the duly authorized transfer agent of Aura.

13. Treatment of Non-Cash Dividends

In the case of a non-cash Dividend, including Common Shares or other securities or other property, the Committee may, in its sole and absolute discretion, determine that this non-cash Dividend be provided to the Grantee on the same basis as a holder of a Common Share with the same Dividend Record Date and Dividend Payment Date, regardless of the Share Unit Vesting Date, and, in such event, in respect of the Grant no dividend equivalent amount will be accrued under Section 8(b) and no adjustment will be made under Section 8(c). The Board may provide this non-cash Dividend to the Eligible Participant in the same form as the non-cash Dividend received by a holder of a Common Share or a cash equivalent amount determined in the sole and absolute discretion of the Committee.

In the alternate case, where the Eligible Participant does not participate in a non-cash Dividend as described above, the Committee will, in its sole and absolute discretion, determine the cash value of such non-cash Dividend to be applied, if applicable, under Section 8.

14. Withholding Taxes

On the exercise of a Grant or on the Expiry Date, the Corporation or an Aura Entity shall have the right to require the Grantee to remit to the Corporation an amount sufficient to satisfy any withholding or other tax requirements relating thereto. Such withholding tax obligation may also be accomplished, in whole or in part, by the Corporation or the Aura Entity, as the case may be, withholding from the Common Shares to be delivered such number of Common Shares or such amount as is necessary to satisfy the amount of the total withholding tax obligation, and/or sell on behalf of a Grantee such number of Common Shares as is sufficient to remit such amount, or in such other manner as the Corporation or an Aura Entity may determine.

15. Non-Transferability

The right to receive Common Shares pursuant to a Grant granted to an Eligible Participant may only be exercised by such Eligible Participant personally, and except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Grant, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Grant whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Grant shall terminate and be of no further force or effect, provided that (a) the rights of an Eligible Participant in respect of the Grant are transferable upon death of the Grantee, and (b) the Grantee may transfer or assign the rights of a Grant hereunder to minor children or grandchildren or a spouse of the Grantee, or a trust or a holding company of which the Grantee is a trustee or director, and the beneficiaries or shareholders of which are any combination of the Grantee, Grantee's spouse or the Grantee's minor children or grandchildren, in accordance with such requirements as the Committee may from time to time determine.

16. Change in Control

In the event of a Change in Control prior to the end of the Vesting Period relating to a Grant, the Committee may determine, in its sole discretion:

- (a) that all Share Units shall become Vested Share Units on the effective date of the Change in Control, provided that, in the case of a Grant of PSUs, the total number of Share Units relating to such Grant shall be the number of PSUs specified in the Grant Agreement for such Grant without giving effect to any potential increase or decrease in such number as a result of graduated Performance Vesting permitting Vesting of more or less than 100% of the PSUs in a Grant. Share Units that Vest in accordance with this Section shall be settled through the issuance of Common Shares immediately upon Vesting; or
- (b) that for any Share Unit there shall be substituted an entitlement to cash or such other securities into which Common Shares are changed, or are convertible or exchangeable, on a basis proportionate to the number of Common Shares to which the Grantee would otherwise be entitled or some other appropriate basis.

17. Amendment and Termination of Plan

This Plan and any Grant made pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders. Notwithstanding the foregoing, the Plan or any Grant may not be amended without Shareholder approval to:

- (a) increase the number of Common Shares issuable on exercise of outstanding Grants at any time pursuant to Section 6 hereof;
- (b) extend the Expiry Date of any outstanding Grants;
- (c) permit an Eligible Participant to transfer or assign Grants to a new beneficial holder other than as set forth in Section 15;

- (d) increase the number of Common Shares that may be issued to Insiders above the restriction contained in Section 6;
- (e) extend the maximum permitted Expiry Date under the Plan beyond ten (10) years;
- (f) adding additional categories of Grantees; or
- (g) amend this Section 17 to delete any of (a) through (f) above.

In addition, no amendment to the Plan or Grants granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Grantee in respect of any Grant previously granted to such Grantee under the Plan.

18. Compliance with Legal Requirements

The Corporation shall not be obliged to issue any Common Shares if such issuance would violate Applicable Law. The Corporation, in its sole discretion, may postpone the issuance or delivery of Common Shares under any Grant as the Board may consider appropriate, and may require any Eligible Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Common Shares in compliance with applicable laws, rules and regulations. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Common Shares awarded under the Plan, provided that, if required, the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada of the existence of the Plan and the making of Grants hereunder in accordance with any such requirements.

19. No Right to Continued Employment

Nothing in the Plan or in any Grant Agreement entered into pursuant hereto shall confer upon any Eligible Participant the right to continue in the employ or service of, or continue to provide services to, the Corporation or any Aura Entities, to be entitled to any remuneration or benefits not set forth in the Plan or a Grant Agreement or to interfere with or limit in any way the right of Aura or any Aura Entity to terminate Grantee's employment or service arrangement with Aura or any Aura Entity.

20. Administration Costs

The Corporation will be responsible for all costs relating to the administration of the Plan.

21. Limited Liability

No member of the Committee, the Board or any officer or employee of the Corporation or an Aura Entity shall be liable for any action or determination made in good faith pursuant to the Plan or any Grant Agreement under the Plan. To the fullest extent permitted by law, the Corporation and each Aura Entity shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or the Board or is or was an officer or employee of the Corporation or an Aura Entity.

22. Governing Law

The Plan shall be governed and interpreted in accordance with the laws of the Province of British Columbia and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of British Columbia.

23. Effective Date

This Plan shall take effect on ●, 2010.

APPENDIX "B"
AURA MINERALS INC.
2010 STOCK OPTION AND SHARE COMPENSATION PLAN

ARTICLE ONE

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions: For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "Bonus Shares" shall have the meaning set forth in Article Five hereof;
- (b) "Change of Control" means:
 - (i) a successful "take-over bid" (as defined in the *Securities Act* (British Columbia), as amended, or any successor legislation thereto) pursuant to which either (a) the "offeror" beneficially owns in excess of 20% of the outstanding Common Shares and the "offeror" has at least one of its nominees elected to the Board, or (b) the "offeror" beneficially owns in excess of 33.3% of the outstanding Common Shares;
 - (ii) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate total 20% or more of the then issued and outstanding Common Shares and such person, or group of persons, has at least one of its nominees elected to the Board;
 - (iii) the issuance to, or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement or other form of reorganization, of Common Shares which in the aggregate total 33.3% or more of the then issued and outstanding Common Shares;
 - (iv) the sale of all or substantially all of the assets of the Company;
 - (v) the liquidation, winding-up or dissolution of the Company;
 - (vi) pursuant to an arrangement or other form of reorganization of the Company where the holders of the outstanding voting securities or interests of the Company immediately prior to the completion of the reorganization will hold directly or indirectly less than 45% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
 - (vii) an event that the Board determines to be a Change of Control has occurred for the purposes of this Plan;
 - (viii) the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities (as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the *Securities Act*, totals for the first time not less than twenty percent (20%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company;
- (c) "Committee" shall mean the Directors or, if the Directors so determine in accordance with section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;

- (d) "Common Shares" shall mean the common shares of the Company, as adjusted in accordance with the provisions of Article Seven of the Plan;
- (e) "Company" shall mean Aura Minerals Inc., a Company existing pursuant to the provisions of the *Canada Business Corporations Act*;
- (f) "Compulsory Acquisition" means a transaction in which an Offeror acquires Common Shares not tendered to an Offer pursuant to the provisions of section 206 of the *Canada Business Corporations Act*, or any successor or similar legislation;
- (g) "Directors" shall mean the directors of the Company from time to time;
- (h) "Eligible Employees" shall mean employees, including officers, whether Directors or not, and including both full-time and part-time employees, of the Company or any subsidiary of the Company who, by the nature of their positions or jobs are, in the opinion of the Committee, in a position to contribute to the success of the Company;
- (i) "Eligible Insiders" shall mean the Insiders of the Company or of any subsidiary of the Company from time to time who, by the nature of their positions are, in the opinion of the Committee, in a position to contribute to the success of the Company;
- (j) "Eligible Person" shall mean an Eligible Employee or an Eligible Insider;
- (k) "Employment Contract" means any contract between the Company or any subsidiary of the Company and any Eligible Employee or Service Provider relating to, or entered into in connection with, the employment of the Eligible Employee or the engagement of the Service Provider;
- (l) "Insider" means an insider as defined in the Securities Act;
- (m) "Market Price" means the market price as defined in the TSX Manual which currently means the volume weighted average trading price for the five trading days immediately preceding the grant date;
- (n) "Offer" has the meaning given in section 8.01;
- (o) "Offeror" has the meaning given in section 8.01;
- (p) "Option" shall mean an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (q) "Optionee" means a Participant to whom an Option has been granted pursuant to the Plan;
- (r) "Option Agreement" means an agreement, substantially in the form attached hereto as Schedule "A", with such additions thereto or modifications thereof as may be approved by the Company prior to or at the time an Option is granted, whereby the Company grants to an Optionee an Option;
- (s) "Option Period" shall mean the period of time during which the particular Option may be exercised which shall end on the later of the expiry date determined at the time of the grant, subject to sections 6.02 and 6.03, and, where a blackout period is imposed by the Company and the specified expiry date falls within the blackout period or within 5 trading days after such blackout period, the date that is 10 trading days following the end of the blackout period;

- (t) "Participant" shall mean each Eligible Insider, Eligible Employee and Service Provider;
- (u) "Plan" shall mean this stock option and share compensation plan;
- (v) "Pre-Existing Plans" has the meaning given in section 2.05;
- (w) "Regulation S" means Regulation S promulgated under the U.S. Act;
- (x) "Securities Act" means the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418, as amended, from time to time;
- (y) "Service Provider" shall mean any person or Company, other than an Employee or Insider, engaged to provide services for the Company or for any entity controlled by the Company for an initial, renewable or extended period of twelve months or more;
- (z) "Subsequent Acquisition Transaction" shall mean an amalgamation, statutory arrangement, merger, consolidation, reorganization, recapitalization or other transaction involving the Company and an Offeror or an affiliate of the Offeror which, if successfully completed, would result in the Offeror owning, directly or indirectly, all of the Common Shares;
- (aa) "TSX" shall mean The Toronto Stock Exchange;
- (bb) "TSX Insider" shall mean
 - (i) an Insider of the Company, other than a person who is an insider of the Company solely by virtue of being a director or senior officer of a subsidiary of the Company; and
 - (ii) an associate of any person who is an Insider of the Company within the meaning of paragraph (i) of this definition;
- (cc) "U.S. Act" means the Securities Act of 1933 of the United States, as amended;
- (dd) "U.S. Optionee" means an Optionee who is a U.S. person or who is in the United States;
- (ee) "U.S. Participant" means a Participant who is a U.S. person or who is in the United States;
- (ff) "U.S. person" has the meaning assigned in Rule 902(k) of Regulation S;
- (gg) "U.S. State Securities Laws" means the securities and the "blue sky" laws and regulations of any state of the United States of America;
- (hh) "Unissued Option Shares" means the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of Article Seven;
- (ii) "United States" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and
- (jj) "Vested" means that an Option has become exercisable in respect of Options held by an Optionee.

Section 1.02 Securities Definitions: In the Plan, the terms "associate", "subsidiary" and "insider" shall have the meanings given to such terms in the Securities Act.

Section 1.03 Headings: The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 Context, Construction: Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 References to the Plan: The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 Canadian Funds: Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 Purpose of the Plan: The Plan provides for the grant of Options and Bonus Shares to Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of key employees and directors of the Company and subsidiaries of the Company and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees and directors of the Company and subsidiaries of the Company, it being generally recognized that stock option and share compensation plans aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Company.

Section 2.02 Administration of the Plan: The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company.

Section 2.03 Delegation to Committee: Subject to Section 8.03, all of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.04 Record Keeping: The Company shall maintain a register or registers in which shall be recorded:

- (a) the name and address of each Optionee or recipient of Bonus Shares;
- (b) the number of Common Shares subject to Options or Bonus Shares granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options and Bonus Shares.

Section 2.05 Previously Granted Options: There are outstanding options for the purchase of Common Shares granted by the Company to eligible parties pursuant to the Company's 2006 stock option plan and 2007 stock option and share compensation plan (the "Pre-Existing Plans"). Options which are

outstanding under the Pre-Existing Plans as of the effective date of this Plan shall continue to be exercisable, shall be governed by and be subject to the Plan and shall be deemed to be Options granted under the Plan. However, to the extent that the terms and conditions of any such option are inconsistent with the terms and conditions of the Plan, the terms and conditions of such option shall govern.

ARTICLE THREE

ELIGIBILITY AND PARTICIPATION IN THE PLAN AND GRANT OF OPTIONS AND BONUS SHARES

Section 3.01 Eligibility: Options and Bonus Shares shall only be granted to Participants.

Section 3.02 Determination of Option Recipients and Option Terms: The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant including any vesting provisions that may be applicable, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant. Each Option granted to a Participant shall be evidenced by an Option Agreement containing terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case. No Participant who is a Director shall vote on any motion considered by the Directors granting any Option to such Director.

Section 3.03 Determination of Bonus Share Recipients: The Committee shall from time to time determine the Participants to whom Bonus Shares shall be granted and the number of Bonus Shares to be granted as set forth in Section 5.01.

ARTICLE FOUR

NUMBER OF COMMON SHARES SUBJECT TO THE PLAN, EXERCISE PRICE AND TERM OF OPTIONS

Section 4.01 Number of Shares: Subject to Section 5.04 and adjustment in accordance with Article Seven hereof, the number of Common Shares which may be made subject to Options and Bonus Shares, together with any other Common Shares subject to a security-based compensation arrangement, at any time and from time to time shall not exceed 10% of the total number of Common Shares then outstanding and the number of Common Shares which may be issued as Bonus Shares in any calendar year shall not exceed 250,000. In addition, the maximum number of Common Shares which, together with Bonus Shares pursuant to Section 5.01 and any other Common Shares subject to a security-based compensation arrangement with such Participant or Participants, as the case may be, may be:

- (a) reserved for issue to Participants who are TSX Insiders shall not exceed 10% of the number of Common Shares then outstanding;
- (b) issued to Participants who are TSX Insiders within a one-year period shall not exceed 10% of the number of Common Shares then outstanding;
- (c) issued to any one Participant who is a TSX Insider and the associates of such Participant within a one-year period shall not exceed 5% of the number of Common Shares then outstanding; and
- (d) reserved for issue to any one Participant shall not exceed 5% of the number of Common Shares then outstanding.

For purposes of this section 4.01, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option or issuance of Bonus Shares, excluding Bonus Shares issued during the current calendar year. If Options are exercised, or are surrendered, terminate or expire without being exercised in whole or in part, the Common Shares which were the subject of such Options may again be made subject to an Option.

Section 4.02 Exercise Price: The price per share at which any Common Share which is the subject of an Option or Bonus Share shall be determined by the Directors at the time of grant, provided that such price shall be not less than the Market Price.

Section 4.03 Term of Options: The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract, provided that no Option Period shall exceed 10 years. The Committee may determine the number or percentage of Common Shares which may be purchased by an Optionee during any particular time period within the Option Period.

ARTICLE FIVE BONUS SHARES

Section 5.01 Issuance of Bonus Shares: The Committee shall have the authority and power in its sole discretion, to allot, issue and distribute Bonus Shares, as fully paid and non-assessable shares in the capital of the Company, in such amounts as the Committee in its sole and absolute discretion deems fit, provided that in no event shall the number of Bonus Shares and Options exceed the maximum number allowed under Sections 4.01 and 5.04. Bonus Shares may be granted to those Eligible Persons of the Company whom the Board, in its sole and absolute discretion, deems to have provided extraordinary contributions to the advancement of the Company.

Section 5.02 Basis for Issuance of Bonus Shares: Bonus Shares will be issued in consideration of the fair value of the extraordinary contribution to the Company by the recipient as determined by the Board, in its discretion, and shall be issued at a deemed price determined by the Board at the time of issuance of such Bonus Shares, but such price shall not be less than the Market Price. No Bonus Shares shall be issued at a time when it is unlawful to fix the price for such Bonus Shares.

Section 5.03 No Requirement to Issue or Entitlement to Receive: Nothing in this Plan shall require the issue or distribution of any Bonus Shares in any given year or the distribution to any particular person of Bonus Shares at any time. The receipt by a recipient in any year of Bonus Shares shall not create any entitlement to a receipt of Bonus Shares by such recipient in any other year. No person shall have any right to receive a distribution of Bonus Shares in a year, whether or not other persons receive Bonus Shares in any other year.

Section 5.04 Availability of Bonus Shares: The pool of Bonus Shares available for any given year, if not distributed, shall cease to be available at the end of such year and shall not accumulate or be available for any succeeding year. The Bonus Shares available for distribution in any year may not exceed the amounts authorized for issuance pursuant to Section 4.01 of the Plan. In addition, Bonus Shares issued in any calendar year will not be added to the issued capital in that calendar year for the purposes of increasing the number of Options available for issuance under the Plan.

ARTICLE SIX EXERCISE OF OPTION, EFFECT OF DEATH AND TERMINATION OF EMPLOYMENT AND WITHHOLDING TAXES

Section 6.01 Exercise of Option:

- (a) Exercise: Subject to any restriction on the number or percentage of Common Shares which may be purchased by the Optionee during any particular time period within the Option Period determined by the Committee, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in section 6.02 or section 6.03 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:
 - (i) in the case of an Eligible Employee, in the employment of the Company or a subsidiary of the Company and has been continuously so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Company or such subsidiary of the Company shall not be considered an interruption of employment for purposes of the Plan;

- (ii) in the case of an Eligible Insider who is not also an Eligible Employee, a director of the Company or a subsidiary of the Company and has been such a director continuously since the date of grant of such Option; and
 - (iii) in the case of an Service Provider, engaged in providing services for the Company or an entity controlled by the Company and has been so engaged since the date of grant of such Option.
- (b) Payment of Exercise Price: The exercise of any Option shall be contingent upon receipt by the Company of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Company shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.
- (c) Share Appreciation Rights: An Optionee may, rather than exercise any Option which such Optionee is entitled to exercise under section 6.01(a) of the Plan, elect to terminate any such Option, in whole or in part, and, in lieu of receiving the Common Shares to which the Option so terminated relates, to receive that number of Common Shares, disregarding fractions, which, when multiplied by the Market Price of the Common Shares to which the Option so terminated relates, has a value equal to the product of the number of Common Shares to which the Option so terminated relates multiplied by the difference between the Market Price and the exercise price per share of the Common Shares to which the Option so terminated relates, less any amount withheld on account of income taxes, which withheld income taxes will be remitted by the Company.

Section 6.02 Effect of Death: If a Participant shall die while an Optionee, any Option held by such Optionee at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 365 days after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee, subject to the provisions of any Employment Contract.

Section 6.03 Effect of Termination of Employment: If an Optionee shall cease to be a Participant for cause, no Option held by such Optionee shall be exercisable following the date on which such Optionee ceases to be a Participant. If an Optionee ceases to be a Participant for any reason other than for cause or by virtue of death, any Option held by such Optionee at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 365 days after the date on which the Optionee ceases to be a Participant or prior to the expiration of the Option Period in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at such time, subject to the provisions of any Employment Contract.

Section 6.04 Withholding Taxes: The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Bonus Shares including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option or Bonus Shares until such time as the Optionee or recipient of Bonus Shares as applicable has paid the Company or any subsidiary of the Company for any amount which the Company or subsidiary of the Company is required to withhold with respect to such taxes.

ARTICLE SEVEN
CAPITAL CHANGES

Section 7.01 Capital Changes: In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Directors in:

- (a) the number of Common Shares available as Options or Bonus Shares under the Plan;
- (b) the number of Common Shares subject to Options; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 7.02 Amalgamation, Consolidation or Merger: If the Company amalgamates with, consolidates with or merges with or into, or participates in a statutory arrangement with, another Company, any Common Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation, merger or arrangement had the Option been exercised prior to such event becoming effective.

Whenever there is:

- (a) a reclassification of outstanding Common Shares, a change of Common Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in Section 7.01;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Common Shares into other shares or securities or a change of Common Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he or she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

ARTICLE EIGHT
TAKE-OVER BIDS AND CHANGES OF CONTROL

8.01 Effect of a Take-Over Bid: If a bona fide offer (an "**Offer**") for Common Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror (the "**Offeror**") becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer,

whereupon all Common Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the Offeror in respect thereof,

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms, if any, upon which such Common Shares were to become Vested pursuant to this section shall be reinstated. If any Common Shares are returned to the Company under this section 8.01, the Company shall immediately refund the exercise price to the Optionee for such Common Shares.

8.02 Acceleration of Expiry Date: If, at any time when an Option granted under the Plan remains unexercised, an Offer is made by an Offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Common Shares issuable upon the exercise of Options granted under the Plan, if unvested, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer, provided such Offer is completed.

8.03 Effect of a Change of Control: If a Change of Control occurs, all Common Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee. Following the completion of a Change of Control which results in the Offeror acquiring at least 50% of the issued Common Shares, none of the Committee, Directors or the Company shall take any action under this Plan without the prior consent of the Offeror, such consent not to be unreasonably withheld.

8.04 Exercise Following Taking Up Under an Offer: If, at any time when an Option granted under the Plan remains unexercised, an Offer is made and Common Shares tendered to the Offer are taken up and paid for by the Offeror in respect thereof, then following the date on which the Offer expires, whether or not a Subsequent Acquisition Transaction or Compulsory Acquisition has been completed, an Optionee shall be entitled to receive on exercise of his or her Options, and shall accept, in lieu of the number of Common Shares which the Optionee would have received on exercise of his or her Options, and otherwise on the same terms and conditions, including but not limited to those set out under Article Four herein and Article Six herein and in any Option Agreement or Employment Contract, such securities of the Offeror which the Optionee would have received had he or she tendered such number of Common Shares under the Offer.

8.05 Compulsory Acquisition or Going Private Transaction: If and whenever there shall be a Subsequent Acquisition Transaction or Compulsory Acquisition following a takeover bid or issuer bid pursuant to applicable corporate legislation, in which securities acquired in a formal takeover bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* or any successor or similar rule or policy applicable to the Company, then following the date upon which such Subsequent Acquisition Transaction or Compulsory Acquisition is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Common Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Common Shares to the bid.

ARTICLE NINE
SECURITIES LAWS
OF THE UNITED STATES OF AMERICA

Section 9.01 Securities Laws of the United States of America: Neither the Options which may be granted pursuant to the provisions of the Plan nor the Common Shares which may be purchased pursuant to the exercise of Options nor the Bonus Shares have been registered under the U.S. Act, or under any U.S. State Securities Laws. Accordingly, no Options or Bonus Shares may be granted to a U.S. Participant, and no Option may be exercised by a U.S. Optionee, absent registration of such Options, Common Shares or Bonus Shares, as the case may be, under the U.S. Act and applicable U.S. State Securities Laws, unless an exemption or an exclusion from such registration requirements is available. Any U.S. Participant who is granted an Option or an award of Bonus Shares in a transaction which is exempt or excluded from the registration requirements of the U.S. Act and applicable U.S. State Securities Laws shall represent, warrant, acknowledge and agree in the agreement containing the Option, or in an agreement (if required) facilitating the issue of Bonus Shares, that:

- (a) the U.S. Optionee is acquiring the Option and any Common Shares acquired upon the exercise of such Option, and the recipient of the Bonus Shares is receiving the Bonus Shares, as principal and for his or her own account;
- (b) in granting the Option and, upon the exercise of such Option by the U.S. Optionee, the Company is and will be relying on the representations and warranties of the U.S. Optionee contained in the agreement relating to the Option or in the subscription form relating to the Common Shares to be issued upon exercise of the Option, as the case may be, to support the conclusion of the Company that the granting of the Option and the issue of such Common Shares do not require registration under the U.S. Act or under any applicable U.S. State Securities Laws;
- (c) in granting the Bonus Shares to a U.S. Participant, the Company is relying on representations and warranties of the U.S. Participant contained in the agreement, if any, relating to the Bonus Shares to support the conclusion that the issuance of the Bonus Shares does not require registration under the U.S. Act or under any applicable U.S. State Securities Laws;
- (d) the Option and any Common Shares acquired upon the exercise of such Option, or the Bonus Shares, as the case may be, are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Act);
- (e) certificates representing an Option issued to a U.S. Optionee and all certificates issued in exchange therefor or in substitution thereof, until such time as it is no longer required under the applicable requirements of the U.S. Act or applicable U.S. State Securities Laws, shall bear the following legends:

"THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS AN EXEMPTION IS AVAILABLE FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, (D) PURSUANT TO ANOTHER EXEMPTION FROM

THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT; AND, IN THE CASE OF CLAUSE (C) OR (D), THE HOLDER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT; AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS."

- (f) each certificate representing Common Shares issued upon the exercise of such Option or issued as Bonus Shares, and all certificates issued in exchange therefor or in substitution thereof, until such time as it is no longer required under the applicable requirements of the U.S. Act or applicable U.S. State Securities Laws, shall bear the following legends:

"THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, (D) PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT; AND, IN THE CASE OF CLAUSE (C) OR (D), THE HOLDER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT; AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE COMMON SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.

A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT FOR THE COMMON SHARES OF THE COMPANY IN CONNECTION WITH A SALE OF THE COMMON SHARES REPRESENTED HEREBY UPON DELIVERY OF THIS CERTIFICATE AND AN EXECUTED DECLARATION BY THE SELLER, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT SUCH SALE IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares or Bonus Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S at a time when the Company is a "foreign issuer" (as defined in Rule 902(e) of Regulation S), the foregoing legends may be removed by providing written declarations by the holder and, if applicable, by the holder's broker-dealer to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (a) represents and warrants that the sale of the securities of Aura Minerals Inc. (the "Company") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not an affiliate of the Company as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on behalf of the undersigned reasonably believe that the buyer was outside the United States (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange and neither the undersigned nor any person acting on behalf of the undersigned knows that the

transaction has been prearranged with a buyer in the United States, (3) neither the undersigned nor any affiliate of the undersigned nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and (5) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

"Affirmation by Seller's Broker-Dealer

We have read the foregoing representations of our customer, _____ (the "Seller"), dated _____, with regard to our sale, for such Seller's account, of the _____ Shares, represented by certificate number _____ (the "Shares"), of the Company described therein, and on behalf of ourselves we certify and affirm that (a) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange, and (c) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S."; and

- (g) the Company may place a notation on its records or give instructions to any transfer agent of the Company's Common Shares in order to implement the restrictions on transfer set forth and described in this Article 9.

ARTICLE TEN

EFFECTIVE DATE OF PLAN, AMENDMENT
OF PLAN AND TERMINATION OF PLAN

Section 10.01 Effective Date of Plan: The Plan shall become effective upon the later of the date determined by the Directors and the date of approval of the shareholders of the Company given by the affirmative vote of a majority of the Common Shares represented at the meeting of the shareholders of the Company at which a motion to approve the Plan is presented.

Section 10.02 Amendment of Plan: The Directors may from time to time in the absolute discretion of the Directors amend, modify and change the provisions of an Option or the Plan without obtaining approval of shareholders to:

- (a) make amendments of a "housekeeping" nature;
- (b) change vesting provisions of an Option or the Plan;
- (c) change the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date of the Option or the Plan;
- (d) change the termination provisions of an Option or the Plan which does entail an extension beyond the original expiry date of the Option or the Plan for a Participant who is not an Insider;
- (e) reduce the exercise price of an Option for a Participant who is not an Insider;
- (f) implement a cashless exercise feature, payable in cash or securities, provided that such feature provides for a full deduction of the number of shares from the number of shares reserved under the Plan; and

- (g) make any other amendments of a non-material nature which are approved by the TSX.

All other amendments, modifications or changes shall only be effective upon such amendment, modification or change being approved by the shareholders of the Company in a manner similar to the approval contemplated by section 10.01 of the Plan. Any amendment, modification or change of any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction.

Section 10.03 Termination of the Plan: The Plan may be terminated at any time by the Directors. Notwithstanding the termination of the Plan, any Option outstanding under the Plan at the time of termination shall remain in effect until such Option has been exercised, has expired, has been surrendered to the Company or has been terminated.

ARTICLE ELEVEN

MISCELLANEOUS PROVISIONS

Section 11.01 Non-Assignable: No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 11.02 Rights as a Shareholder: No Optionee shall have any rights as a shareholder of the Company with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Company for which the record date is prior to the date of exercise of any Option.

Section 11.03 No Contract of Employment: Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of the Company or any subsidiary of the Company nor interfere or be deemed to interfere in any way with any right of the Company or any subsidiary of the Company to discharge any Participant at any time for any reason whatsoever, with or without cause.

Section 11.04 Necessary Approvals: The obligation or ability of the Company to grant any Option pursuant to the Plan and to issue, sell and deliver any Common Shares on the exercise of an Option or issue Bonus Shares is subject to the approval of any governmental authority or regulatory body required in connection with the grant of such Option or the issue, sale and delivery of such Common Shares or Bonus Shares by the Company. Any Options or Bonus Shares granted prior to the Company's receipt of such required approvals shall be conditional upon such approval being given and no Options may be exercised or Bonus Shares delivered to the recipient unless such approval has been being given.

In the event that any Common Shares cannot be issued to any Optionee pursuant to the exercise of an Option for any reason whatsoever including, without limiting the generality of the foregoing, the failure to obtain any required approval, then the obligation of the Company to issue such Common Shares shall terminate and any money paid to the Company in connection with the exercise of such Option shall be returned to the Optionee without interest or deduction. In the event any Bonus Shares cannot be delivered pursuant to a grant of such shares for any reason whatsoever including, without limiting the generality of the foregoing, the failure to obtain any required approval, then the Company shall not be obliged to deliver the Bonus Shares and the recipient of the grant shall have no rights in respect thereof.

Section 11.05 No Representation or Warranty: The Company makes no representation or warranty as to the value of any Option or Bonus Shares granted pursuant to the Plan or as the future value of any Common Shares issued pursuant to the exercise of any Option.

Section 11.06 Compliance with Applicable Law: If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 11.07 Applicable Law: The Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia.

Plan approved by the Board effective April 21, 2010

Plan approved by the shareholders of the Company effective ***, 2010

Effective date of Plan: *, 2010**

SCHEDULE "A"

AURA MINERALS INC.

2010 STOCK OPTION AND SHARE COMPENSATION PLAN

OPTION AGREEMENT

This Option Agreement is entered into between Aura Minerals Inc. ("the Company") and the Optionee named below pursuant to the Company's 2010 Stock Option and Share Compensation Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "Grant Date");
2. ● (the "Optionee");
3. was granted the option (the "Option") to purchase ● Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$● per Option Share;
5. which shall be exercisable in full upon approval;
6. terminating on ●, 20● (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

The Optionee further acknowledges and hereby consents to:

- (a) the disclosure to the Toronto Stock Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the Toronto Stock Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20●.

AURA MINERALS INC.

OPTIONEE

Per: _____
Authorized Signatory

APPENDIX “C”

AURA MINERALS INC.
CORPORATE GOVERNANCE DISCLOSURE TABLE

The following table sets out the corporate governance disclosure required by National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”):

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
1.	Board of Directors	
	(a) Disclose the identity of directors who are independent.	<p>The board of directors (the “Board”) currently is comprised of six directors, of which five are independent. The Board considers that John Ivany, Patrick Mars, Elizabeth Martin, William Murray and Thomas Ogryzlo are independent.</p> <p>John Ivany and Thomas Ogryzlo were each appointed as a director of the Company effective, September 9, 2009 and November 2, 2009, respectively.</p>
	(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Patrick Downey is the President and CEO of the Company and thus is not considered an independent director.
	(c) Disclosure whether or not a majority of directors are independent.	The majority of directors are independent.
	(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	<p>Patrick Downey – Corex Gold Corporation; Mundoro Mining Inc.; Argentex Mining Corporation; Andina Minerals Inc.; Mosam Capital Corp.</p> <p>John Ivany – Allied Nevada Gold Corp.; B2 Gold Corp.; Breakwater Resources Ltd.; Eurogas International Inc.</p> <p>Patrick Mars – Yamana Gold Inc.; Carpathian Gold Inc.; Selwyn Resources Ltd.; SAGE Gold Inc.</p> <p>Elizabeth Martin – Marengo Mining Limited; Manicouagan Minerals Inc.</p> <p>William Murray – Polymet Mining Corp.; South American Silver Corp.; Prospero Silver Corp.</p> <p>Thomas Ogryzlo – Baja Mining Corp.; Vista Gold Corp.</p>

GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS																											
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	<p>At the end of each meeting of the Board, the independent directors meet in the absence of non-independent directors and members of management.</p> <p>There were 19 meetings of the Board during the financial year ended December 31, 2009 (the "Financial Year"), after which the independent directors present met in camera.</p>																											
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	<p>Patrick Mars is a non-executive Chairman, and is therefore considered an independent director.</p> <p>During the Financial Year, the Chairman chaired 18 of 19 meetings of the Board and William Murray, an independent director, chaired the remaining meeting. The Chairman ensured that the Board worked together as a cohesive team with open communication. The Chairman acted as a liaison between the Board and management to ensure that the relationship between the Board and management was professional and constructive and ensured that the allocation of responsibilities and boundaries between the Board and management were clearly understood.</p>																											
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	<p>There were 19 meetings of the Board during the Financial Year. Directors' attendance was as follows:</p> <table border="1" data-bbox="683 1352 1430 1656"> <thead> <tr> <th>Directors</th> <th>Number of Meetings Held During Term⁽¹⁾</th> <th>Meetings Attended</th> </tr> </thead> <tbody> <tr> <td>Patrick Downey</td> <td>19</td> <td>19</td> </tr> <tr> <td>John Ivany</td> <td>5</td> <td>5</td> </tr> <tr> <td>Patrick Mars⁽²⁾</td> <td>19</td> <td>18</td> </tr> <tr> <td>Elizabeth Martin</td> <td>19</td> <td>19</td> </tr> <tr> <td>William Murray</td> <td>19</td> <td>16</td> </tr> <tr> <td>Thomas Ogryzlo</td> <td>4</td> <td>3</td> </tr> <tr> <td>Philip Martin⁽³⁾</td> <td>5</td> <td>5</td> </tr> <tr> <td>Peter Marrone⁽⁴⁾</td> <td>14</td> <td>4</td> </tr> </tbody> </table> <p>(1) Indicates the number of meetings held during each director's term in the Financial Year.</p> <p>(2) Mr. Mars declared his interest in the Company's acquisition from Yamana Gold Inc. ("Yamana") of the San Andres, Sao Vicente and Sao Francisco Mines (the "Acquisitions") as he was also a member of the board of directors of Yamana, and accordingly recused himself from the discussions of the Board and abstained from voting in connection with the Acquisitions and the agreements related thereto.</p> <p>(3) Philip Martin resigned as a director in May 2009.</p> <p>(4) Peter Marrone resigned as a director in September 2009. Mr.</p>	Directors	Number of Meetings Held During Term ⁽¹⁾	Meetings Attended	Patrick Downey	19	19	John Ivany	5	5	Patrick Mars ⁽²⁾	19	18	Elizabeth Martin	19	19	William Murray	19	16	Thomas Ogryzlo	4	3	Philip Martin ⁽³⁾	5	5	Peter Marrone ⁽⁴⁾	14	4
Directors	Number of Meetings Held During Term ⁽¹⁾	Meetings Attended																										
Patrick Downey	19	19																										
John Ivany	5	5																										
Patrick Mars ⁽²⁾	19	18																										
Elizabeth Martin	19	19																										
William Murray	19	16																										
Thomas Ogryzlo	4	3																										
Philip Martin ⁽³⁾	5	5																										
Peter Marrone ⁽⁴⁾	14	4																										

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
		Marrone declared his interest in the Acquisitions as he was also a member of the board of directors of Yamana, and accordingly recused himself from attending eight meetings of the Board.
2.	Board Mandate – Disclose the text of the board’s written mandate.	A copy of the Mandate for the Board is set out in Appendix “D” to this Information Circular.
3.	Position Descriptions	
	(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The Board has developed written position descriptions for the chairman of the Board and the chairman of each Board committee.
	(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board and CEO have developed a written position description for the CEO.
4.	Orientation and Continuing Education	
	(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.	The Board and the Company’s Nominating & Corporate Governance Committee ensure that a comprehensive orientation is received by new directors regarding the role of the Board, its committees and its directors. As part of a new director’s orientation, he or she receives a manual which contains the Company’s charters, mandates, codes and policies (the “Manual”). New directors are also provided technical reports on the properties of the Company and, as soon as practicable, taken on site visits.
	(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.	The Board and the Company’s Nominating & Corporate Governance Committee take the following measures to provide continuing education of its directors: <ul style="list-style-type: none"> (i) review the Manual at least annually and supply a revised copy to each director; (ii) ensure that all directors are kept apprised of changes in the Company’s operations and business, changes in the regulatory environment affecting the Company’s day to day business both within Canada and within the foreign jurisdictions in which the Company maintains properties, and changes in their roles as directors of a public company; and (iii) provide at Board meetings a technical presentation, focusing on the Company’s main properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.
5.	Ethical Business Conduct	
	(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board	The Board has adopted a written Code of Business Conduct & Ethics (the “Code”) for directors, officers and employees of the Company. <ul style="list-style-type: none"> (i) A copy of the Code is found on the Company’s website

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
	<p>has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p> <p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>(www.auraminerals.com) and has been filed on SEDAR at www.sedar.com. A person or company may also obtain a copy of the Code by contacting the Company by phone, fax or email (contact information is provided on the website).</p> <p>(ii) A copy of the Code is made available to each director, officer and employee of the Company upon their appointment. Pursuant to the Code, concerns or violations can be reported, anonymously and/or confidentially, to any member of the Nominating & Corporate Governance Committee. Financial accounting or internal control concerns can be reported to the chairman of the Audit Committee.</p> <p>(iii) None.</p>
	(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Pursuant to the written Mandate for the Board, a copy of which can be found on the Company's website (www.auraminerals.com) and attached as Appendix "D" to the Information Circular, directors must disclose details of any conflict of interests and abstain from voting thereon.
	(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board has approved a Whistleblower Policy to further encourage and promote a culture of ethical business conduct. A copy of the Whistleblower Policy can be found on the Company's website (www.auraminerals.com).
6.	Nomination of Directors	
	(a) Describe the process by which the board identifies new candidates for board nomination.	<p>The Nominating & Corporate Governance Committee has been delegated the responsibility to identify and recommend new candidates for nomination to the Board.</p> <p>In identifying new candidates, the committee assesses the qualifications that each new candidate will bring to the Board, including:</p> <p>(i) personal qualities, characteristics, skills, experiences, accomplishments and reputation in the business community;</p> <p>(ii) current knowledge and contacts in the countries and/or communities in which the Company does business and in the Company's industry sectors or other industries relevant to the</p>

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		<p>Company's business;</p> <p>(iii) ability and willingness to commit adequate time and resources to Board and committee matters, and be responsive to the needs of the Company; and</p> <p>(iv) compliance with all legal and regulatory requirements of a Board member.</p>
	<p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p>	<p>The Nominating & Corporate Governance Committee is comprised entirely of independent directors.</p> <p>The members of the committee are identified in the Information Circular under the heading, "Election of Directors".</p>
	<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The responsibilities, powers and operation of the Nominating & Corporate Governance Committee include, identifying and recommending new candidates for Board nomination; evaluating the effectiveness of the Board, its committees and its directors; reviewing and setting out recommendations to the Board regarding non-stock based remuneration of directors; monitoring and reviewing the Company's corporate governance practices and policies and make recommendations for changes when appropriate; and ensuring that a comprehensive orientation is received by new directors and that continuing education opportunities are available.</p>
7.	Compensation	
	<p>(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.</p>	<p>The Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, the granting of stock options to directors, executive officers and key employees and consultants of the Company and its subsidiaries and the remuneration and compensation policies, including short and long-term incentive compensation plans, such as stock option and share bonus grants.</p> <p>The Nominating & Corporate Governance Committee is mandated to review and set out recommendations to the Board regarding non-stock based remuneration of directors.</p>
	<p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors,</p>	<p>The Compensation Committee is composed entirely of independent directors.</p> <p>The members of the committee are identified in the Information Circular under the heading, "Election of Directors".</p>

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	describe what steps the board takes to ensure an objective process for determining such compensation.	
	(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Compensation Committee reviews and makes recommendations to the Board regarding: the appointment, performance, succession and remuneration of officers; remuneration and compensation policies; the grant of stock options to directors, officers and other key employees and consultants of the Company and its subsidiaries; and the Company's succession and leadership plans.
	(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	The Compensation Committee retained Coopers Consulting Ltd., a compensation consultant during the first quarter of 2010 to conduct a comprehensive review of officer remuneration levels to ensure consistency with industry standards and to formalize the construct of the executive compensation plan as well as develop and implement an appropriate short-term incentive compensation program for the executive group.
8.	Other Board Committees -- If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	<p>The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and the investment community. Further information regarding the Audit Committee is contained in the Company's annual information form dated March 26, 2010 (the "AIF") under the heading, "<i>Audit Committee</i>"; and a copy of the Audit Committee charter is found on the Company's website (www.auraminerals.com) and attached to the AIF as schedule "A". The AIF is available under the Company's profile on SEDAR at www.sedar.com.</p> <p>The Environmental, Health, Safety & Social Responsibility Committee ensures that the Company conducts its activities in such a manner as to promote sustainable development, the protection of human life, the preservation of the environment and the improvement of the communities in which it operates.</p> <p>The Disclosure Committee ensures compliance with changing regulatory disclosure requirements. The committee will identify appropriate industry and company benchmarks for a preliminary assessment of materiality. Guided by these benchmarks, the committee will use experience and judgment to determine the timing for public release of material information. The committee is</p>

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		also responsible for ensuring appropriate systems, processes and controls for disclosure are in place.
9.	<p>Assessments -- Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The Nominating & Corporate Governance Committee's mandate is, in part, to annually assess the performance, effectiveness and contribution of the Board, its committees and its directors and make recommendations to the Board.</p> <p>To facilitate this annual assessment, the Board has approved an individualized Annual Assessment Report and Questionnaires for the Board and each of its committees.</p>

APPENDIX “D”

AURA MINERALS INC. **MANDATE FOR THE BOARD OF DIRECTORS**

1 PURPOSE

The Board has responsibility for the stewardship of the Company by supervising the Company's affairs, with the goal of enhancing shareholder value and maintaining a culture of integrity throughout the Company.

2. STRUCTURE AND OPERATIONS

The Board shall be composed of not less than three directors and shall have a majority of independent directors. The members of the Board shall be nominated by the Nominating and Corporate Governance Committee and appointed or reappointed at the annual general meeting of the shareholders of the Company (the “AGM”). Directors may be nominated to bring special expertise or perspective to Board deliberations; however, they are not chosen to represent a particular constituency. The best interests of the Company must be paramount at all times.

The Board shall appoint or reappoint, at the meeting of the Board immediately following the AGM, a chairman among their number. The chairman shall serve as a liaison between the Board and members of the Company's management team (“Management”).

Meetings of the Board shall be held on a quarterly basis, provided that due notice is given and a quorum of a majority of the members is present. Where a meeting is not possible, resolutions in writing which are signed by all members of the Board are as valid as if they had been passed at a duly held meeting. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time.

To facilitate the functioning of the Board independently of Management:

- (a) the proportion of members of Management on the Board shall be limited to a minority of the directors;
- (b) when appropriate, members of Management shall not be present for the discussion and determination of certain matters at meetings of the Board;
- (c) under the By-laws of the Company, the chairman of the Board or any two directors may call a Board meeting; and
- (d) Management's compensation shall be reviewed, in their absence, by the Compensation Committee.

The Board shall discharge its responsibilities for the stewardship of the Company directly or with the assistance of the following four standing committees:

- (i) Audit Committee;
- (ii) Nominating and Corporate Governance Committee;
- (iii) Compensation Committee; and
- (iv) Environmental, Health, Safety and Social Responsibility Committee

When appropriate, *ad hoc* committees shall be appointed by the Board to address certain issues of a more short-term nature.

3. SPECIFIC DUTIES OF THE BOARD

As part of the Board's overall responsibility for the stewardship of the Company, its principle duties include, but shall not be limited to, the following:

Oversight of Management

1. The Board shall approve the appointment of the President and CEO and all other officers, and approve the compensation of officers based upon the recommendations of the Compensation Committee.
2. To the extent possible, the Board shall satisfy itself as to the integrity of the officers and ensure that they create a culture of integrity throughout the Company.
3. The Board has delegated authority to the President and CEO for the overall management of the Company, including strategy and operations, to ensure the long term success of the Company and to maximize shareholder value.
4. The Board may from time to time delegate authority to other officers, subject to specified limits.
5. Review and prior approval by the Board shall be required for all material transactions in which the Company is involved including, without limitation, the acquisition or disposition by the Company of significant assets and properties, the issuance of securities and any matters that are outside the scope of authority delegated to officers.
6. The Board shall regularly review and maintain the Company's succession plan, which includes the appointment, training and monitoring of officers.

Board Organization

1. The Board shall respond to recommendations received from the Nominating and Corporate Governance Committee, but shall retain the responsibility for managing its own affairs by approving the following: its composition; the candidates nominated for election; appointments to committees; the selection of the chairmen of the Board and of its committees; and committee charters.
2. The Board may delegate certain responsibilities to its committees, including: the review and assessment of Board and officer compensation levels; the interim financial results; the performance of the Board and officers; the internal controls systems; the orientation and continuing education of Board members; and safety matters. However, the Board shall retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Monitoring of Financial Performance and Other Financial Reporting Matters

The Board shall be responsible for the following:

1. Reviewing, questioning and approving the strategies and plans of the Company;
2. identifying principal business risks and ensuring the implementation of appropriate systems to manage such risks including, insurance coverage, conduct of material litigation and the effectiveness of internal controls;
3. considering appropriate measures to be taken if the performance of the Company falls short of its goals;
4. reviewing and upon the recommendations of the Audit Committee, approving the audited financial statements and notes thereto and the management discussion and analysis;
5. overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;
6. overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards; and

7. reviewing and approving those matters which the Board is required to approve under its governing legislation and documents, including the payment of distributions and material expenditures.

Policies and Procedures

The Board shall approve, maintain and monitor compliance with all policies, codes, charters and procedures developed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards.

Reporting

1. The Board shall review the integrity of the internal control and management information systems of the Company.
2. The Board shall implement measures for receiving feedback from stakeholders and ensure that material information is disseminated to the public in a timely manner and in accordance with the Company's Disclosure Policy.

4. SPECIFIC DUTIES OF EACH DIRECTOR

The following expectations and responsibilities are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities:

1. assuming a stewardship role and overseeing the management of the affairs of the Company;
2. maintaining a clear understanding of the Company, including:
 - (a) its strategic and financial plans and objectives;
 - (b) emerging trends and issues;
 - (c) significant strategic initiatives;
 - (d) capital allocations and expenditures;
 - (e) principal business risks and management of such risks;
 - (f) internal systems, processes and controls;
 - (g) compliance with applicable laws and regulations and
 - (h) governance, audit and accounting principles and practices;
3. preparing for each Board and committee meeting by reviewing materials provided and requesting, where appropriate, information that will allow the director to properly participate in the deliberations, make informed business judgments and exercise oversight;
4. absent a compelling reason, attend every Board and committee meeting (of which the director is a member), and actively participating in deliberations and decisions. When attendance is not possible, a director should become familiar with the matters to be covered at the meeting;
5. voting on all decisions of the Board or its committees, except when a conflict of interest may exist;
6. preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such conflicting interests should they arise; and
7. acting in the highest ethical manner and with integrity in all professional dealings.