

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

**OROSUR MINING**



This Management Information Circular is furnished in connection with the solicitation of proxies by management of Orosur Mining Inc. to be voted at the Annual and Special Meeting of the shareholders of the Corporation to be held on Tuesday, October 12, 2010 at the hour of 11:00 a.m. (UK time) at Garden Room, City of London Club, 19 Old Broad Street, London, United Kingdom EC2N 1DS.

Dated: August 27th, 2010



# NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Tuesday, October 12, 2010

## TO THE SHAREHOLDERS:

**Take Notice** that an Annual and Special Meeting (the “Meeting”) of the Shareholders of Orosur Mining Inc. (the “Corporation”) will be held at Garden Room, City of London Club, 19 Old Broad Street, London, United Kingdom EC2N 1DS on Tuesday, October 12, 2010 at the hour of 11:00 a.m. (UK time) for the following purposes:

1. to receive and consider the audited financial statements for the year ended May 31, 2010 and the report of the auditors thereon;
2. to fix the board of directors of the Corporation at six members;
3. to elect a board of directors of the Corporation for the ensuing year;
4. to appoint the auditors of the Corporation for the ensuing year and, to authorize the board of directors to fix the auditors’ remuneration;
5. to consider, and if thought fit, passing a resolution to approve the amended and restated stock option plan of the Corporation; and
6. to transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of Instrument of Proxy and return it in the envelope provided for that purpose or if you received a machine readable voting instruction form, please follow the voting instructions specified in the voting instruction form

Dated this 27th day of August, 2010.

## BY ORDER OF THE BOARD OF DIRECTORS

**Mario Caron**  
Chairman

### IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. Please email or provide written confirmation of your intention to attend the Meeting to the Company Secretary at: [patricia.rodriguez@orosur.ca](mailto:patricia.rodriguez@orosur.ca) or Blanes Viale 6254, Montevideo 11.500, Uruguay. This also enables us to ensure that the facilities are appropriate for the numbers attending. If you do not expect to attend and would like your shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, (Facsimile: +1-416-263-9524 or +1-866-249-7775) (Attention: Proxy Department) or Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgewater Road, Bristol BS99 7NH (Facsimile: +44-20-870-703-6116) (Attention: Proxy Department) at least forty-eight (48) hours prior to the Meeting or any adjournment thereof.

# ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Tuesday, October 12, 2010

## MANAGEMENT INFORMATION CIRCULAR

**Note: Shareholders who do not hold their shares in their own name as registered shareholders should read “Advice to Beneficial Shareholders” herein for an explanation of their rights.**

## SOLICITATION OF PROXIES

This circular (“Management Information Circular”) is provided in connection with the solicitation by management of Orosur Mining Inc. (the “Corporation”) of proxies for the Annual and Special Meeting of the shareholders of the Corporation (the “Meeting”) to be held on Tuesday, October 12, 2010, at 11:00 a.m. (UK time) at Garden Room, City of London Club, 19 Old Broad Street, London, United Kingdom EC2N 1DS.

Management of the Corporation does not contemplate a solicitation of proxies otherwise than by mail. The costs thereof will be borne by the Corporation.

## APPOINTMENT AND REVOCATION OF PROXIES

**A shareholder has the right to appoint a nominee (who need not be a shareholder) to represent him or her at the Meeting, other than the persons designated in the enclosed proxy form, by inserting the name of his or her chosen nominee in the space provided for that purpose on the form, or by completing another proper form of proxy.** Such shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and should instruct him or her on how the shareholder’s shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or, where the form of proxy has been executed by an attorney of the shareholder, by the shareholder’s attorney authorized in writing, with proof of such authorization attached.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, (Facsimile: +1-416-263-9524 or +1-866-249-7775) (Attention: Proxy Department) or Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH (Facsimile: +44-20-870-703-6116) (Attention: Proxy Department), at least forty-eight (48) hours, excluding Saturdays and holidays, before the time of the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## ADVICE TO BENEFICIAL SHAREHOLDERS

The non-registered shareholders of the Corporation should review the information set forth in this section carefully. Shareholders who do not hold their shares in their own name (referred to in this Management Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder’s name. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered in the

name of CEDE & Co. (the registration name for The Depository Trust Company, which acts as nominee for many U.S. brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting.** The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or an agent of such broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the proxy form provided to them by their broker (or the broker's agent) and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or the broker's agent). All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

## VOTING OF PROXIES

The persons named in the enclosed form of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the blanks on the proxy form.

Shares represented by properly executed proxy forms in favour of the person designated on the enclosed form will be voted or withheld from voting in accordance with the instructions given on the proxy forms. In the absence of such instructions, such shares **WILL BE VOTED FOR THE APPROVAL OF ALL RESOLUTIONS IDENTIFIED IN THIS MANAGEMENT INFORMATION CIRCULAR.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the time of print-ing this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.**

## VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of common shares ("Common Shares").

As of the effective date of this Management Information Circular that is August 27, 2010 (the "Effective Date"), the Corporation has 64,795,426 issued and outstanding Common Shares that are without nominal or par value. Holders of Common Shares are entitled to one (1) vote at the Meeting for each Common Share held.

The Corporation will prepare a list of shareholders of record at the close of business on September 3, 2010 (the "Record Date"). A holder of Common Shares named on that list will be entitled to vote the Common Shares then registered in such holder's name.

To the knowledge of the directors and executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, or controls or directs, directly or indirectly securities carrying ten percent (10%) or more of the voting rights attached to any class of voting securities of the Corporation.

## STATEMENT OF EXECUTIVE COMPENSATION

(Currency references herein are Canadian currency (\$) unless otherwise noted)

### Compensation Discussion and Analysis

This compensation discussion and analysis ("CD&A") describes and explains the compensation program for the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") and the other two most highly compensated executive officers other than the CEO and CFO.

It is the responsibility of the Remuneration Committee to determine the level of compensation in respect to the Corporation's senior executives. The Corporation has a standard employment contract that has been approved by the Remuneration Committee. The employment terms for new appointments and amendments to existing agreements are approved by the Remuneration Committee. The members of the Remuneration Committee are Messrs Mario Caron and Roger Davey. None of the members of the Remuneration Committee neither at present nor in the past have occupied executive positions nor are nor have been employees of the Corporation or any subsidiary and are considered independent directors for the purposes of NI 58-101.

The Corporation's policy regarding compensation of the Corporation's executive officers is structured to provide a competitive compensation package that supports both the short-term and long-term goals of the Corporation, attracts and retains suitable and qualified executive management, and establishes a compensation framework which is industry competitive.

The executive compensation program comprises three elements, namely a base salary, participation in the Corporation's Stock Option Plan, and participation in a bonus incentive scheme with objectives set and assessed annually.

Executive base salaries are determined having reference to the salary levels in the resource industry for companies with similar production levels, number of employees and market capitalization to the Corporation. For such purposes, the Corporation does its own research among companies in the resource industry and also receives independent industry surveys. Criteria included in the determination of salary levels include the scope, skills, responsibilities, working conditions, and complexity of the position held, and salaries being paid for similar positions in other companies of similar size and business.

The Corporation has adopted a stock option policy which establishes the recurrence and number of stock options to be granted to directors, executive officers, contractors and employees of the Corporation and its subsidiaries. According to such policy the Non Executive Chairman of the Board is granted 100,000 stock options each year while Non-Executive Directors are granted 50,000 stock options each year. The Chief Executive Officer of the Corporation is granted 200,000 stock options each year, the Chief Financial Officer shall be granted 150,000 stock options yearly, with lower amounts to other managers and professional staff. An initial higher grant of stock options is given when a Director or qualifying employee joins the Corporation, or at the discretion of the Board. All such stock options shall vest 1/3 when granted, 1/3 on the first anniversary from the date granted and 1/3 on the second anniversary from the date granted.

The Bonus Scheme adopted by the Corporation establishes that the Chief Executive Officer may earn up to 100% of base salary with a target on 50% of his/her salary; the Chief Financial Officer and the Chief Operational Officer may earn up to 75% of their base salary with a target on 40% and General Managers may earn up to 40% of their base salaries with a target on 20%. Bonuses are payable each financial year based on the achievement of objectives previously set. Objectives are split in: a) 20% corresponding to Corporation's performance (i.e. stock price, safety, environmental and community performance); b) 50% corresponding to specific objectives related to an individual role including production, costs, safety and environmental performance, definition of resources and reserves, risk management, investor relations, financing and growth; and c) 30% discretionary.

In 2010 both the Chief Executive Officer and the Chief Financial Officer received bonuses equivalent to 10% of their base salaries.

The Remuneration Committee considers the annual participation in the Corporation's Stock Option Plan, in conjunction with the bonus scheme, as the primary ingredients in relating the total executive compensation to the Corporation's performance.

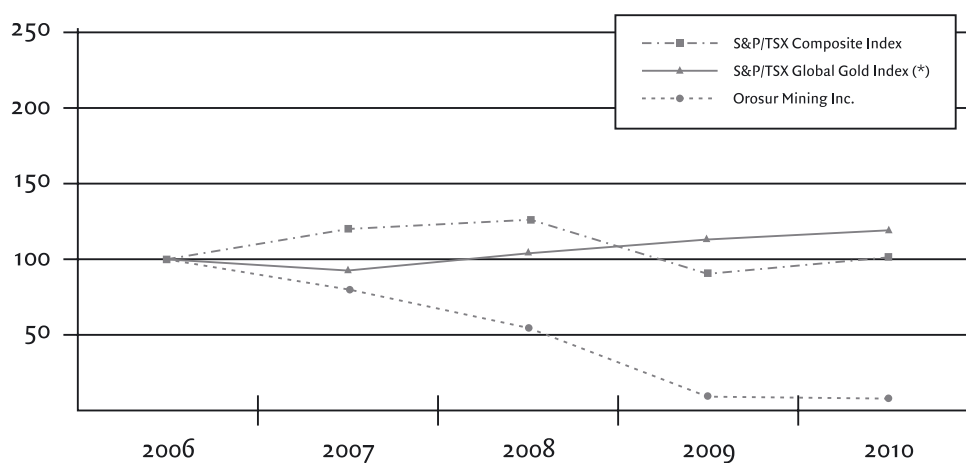
### Chief Executive Officer Compensation

The compensation of the Chief Executive Officer is based on the same program that is applied to other executive officers of the Corporation, namely a base salary, participation in the Stock Option Plan and participation in the bonus scheme.

In financial year 2010, Mr. Fowler received \$234,654 as base salary which was determined based upon a review of chief executive officer remuneration at companies of comparable size and nature, combined with the overall progress results of the Corporation in financial year 2010. Mr. Fowler also received a bonus of \$22,050 approved by the Remuneration Committee after considering Mr. Fowler's achievements in respect to the objectives discussed above and 200,000 stock options with an exercise price of \$0.61 and vesting conditions in accordance with the stock option policy of the Corporation discussed above.

### Performance Graph - Five Year Shareholder Return Comparison

The following graph compares the yearly change in the cumulative total shareholder return over the periods indicated of a Cdn\$100 investment in the Corporation's Common Shares with the cumulative total return of S&P/TSX Composite Index and the S&P/TSX Gold Index, assuming the reinvestment of dividends, where applicable, for the comparable period.



All amounts in Cdn \$	May 31, 2006	May 31, 2007	May 31, 2008	May 31, 2009	May 31, 2010
Orosur Mining Inc.	100	79,20	55,00	8,40	7,90
S&P/TSX Composite Index	100	119,28	124,51	90,59	100,49
S&P/TSX Global Gold Index (*)	100	92,12	104,82	112,07	119,26

(\*) S&P/TSX Global Gold Index is an index of global gold securities which comprises producers of gold and related products, including companies that mine or process gold and the South African finance houses which primarily invest in, but do not operate, gold mines.

## SUMMARY COMPENSATION TABLE

The following table contains information about the compensation paid to, or earned during the Corporation's last financial year by, the Corporation's Chief Executive Office, Chief Financial Officer and the other two most highly compensated executive officers of the Corporation who earned more than \$150,000 in total compensation for the year ended May 31, 2010 (the "Named Executive Officers").

Name and Principal Position	Year	Salary (\$)(*)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-equity incentive plan compensation (\$)	Annual Incentive Plans	Long Incentive Plans	Pension Value (\$)	All other compensation (\$)(*)	Total compensation (\$)
David Fowler Chief Executive Officer (1)	2010	234,654	Nil	71,002	22,050	Nil	N/A	-	313,552	
	2009	246,451		18,153	31,035				280,188	
Ignacio Salazar Chief Financial Officer (2)	2010	197,024	Nil	26,626	18,375	Nil	N/A	-	227,701	
	2009	154,227		31,018	Nil	Nil			175,393	
John Sadek VP Operations (3)	2010	134,316	Nil	26,626	Nil	Nil	N/A	57,971	204,334	
	2009	213,373		18,153	26,831				242,984	
George Schroer VP Exploration (4)	2010	133,092	Nil	26,626	Nil	Nil	N/A	47,983	169,974	
	2009	213,812		18,153	26,831				242,984	

(1) David Fowler was appointed as Chief Executive Officer in May 2006. Mr. Fowler is also a director of the Corporation and does not receive compensation for services as director.

(2) Ignacio Salazar was appointed as Chief Financial Officer in September 2008. Mr. Salazar is also a director of the Corporation and does not receive compensation for services as director.

(3) John Sadek was appointed as Vice President Operations in October 2004 and resigned in January 2010.

(4) George Schroer was appointed as Vice President Explorations in June 2006 and resigned in January 2010.

(\*) Prior year amounts have been restated including Personal Income Tax.

## INCENTIVE PLANS AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The following table provides information for each Named Executive Officer for all awards outstanding at the end of the most recently completed financial year. This includes awards granted before the most recently financial year.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the Money Options <sup>(2)</sup> (\$)	Number of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
David Fowler	50	4.50	15 Sept. 2010	Nil	Nil	Nil
	200	3.90	12 Oct. 2011	Nil	-	-
	200	3.30	13 Nov. 2012	Nil	-	-
	75	0.60	15 Oct. 2013	Nil	-	-
	200	0.61	14 Oct. 2014	Nil	-	-
Ignacio Salazar	150	0.60	15 Oct. 2013	Nil	Nil	Nil
	75	0.61	14 Oct. 2014	-	-	-
John Sadek	Nil	-	-	-	-	-
George Schroer	Nil	-	-	-	-	-

<sup>(1)</sup> Represents options granted pursuant to the Corporation's Stock Option Plan.

<sup>(2)</sup> Based on the difference between the market value of the underlying shares at May 31, 2010 of \$0.395 and the exercise price of the option.

### Narrative Discussion

Stock options granted to Named Executive Officers are subject to a vesting schedule. Options vest as to one-third on the date of grant, one-third on the first anniversary of the grant and one third on the second anniversary of the grant. The following options are currently unvested: Mr. Fowler (291,665), Mr. Salazar (100,000).

### Incentive Plans Awards – Value Vested or Earned During the Year

The following table provides detailed information for each Named Executive Officer for the most recently completed financial year.

Name	Option-Based Awards-Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards-Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation-Value Earned During the Year <sup>(2)</sup> (\$)
David Fowler	Nil	Nil	22,050
Ignacio Salazar	Nil	Nil	18,375
John Sadek	Nil	Nil	Nil
George Schroer	Nil	Nil	Nil

<sup>(1)</sup> For this purpose, the options are valued on the date of vesting. The "value vested" represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise price of the options under the option-based award on the vesting date.

<sup>(2)</sup> Comprised of cash bonus, awarded at the discretion of the Remuneration Committee, forming part of the 2010 compensation of the Named Executive Officer in question.

## Narrative Discussion

A description of the Corporation's Stock Option Plan is set out below under the heading "Equity Compensation Plan Information".

### Stock Option and SAR Re-Pricing

The Corporation did not make any downward re-pricing of stock options or stock appreciation rights during the fiscal year ended May 31, 2010 or prior thereto.

## PENSION PLAN BENEFITS

The Corporation does not have any pension or retirement plan which is applicable to the Named Executive Officers. Except as stated in the heading "Termination and Change of Control Benefits" below, the Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change of control of the Corporation, its subsidiaries or affiliates.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation did not have in place during the fiscal year ended May 31, 2010: (a) any employment contract between the Corporation or any subsidiary or affiliate thereof and any Named Executive Officer; or (b) any compensatory plan or arrangement with respect to a Named Executive Officer, which results or will result from the resignation, retirement or any other termination of employment of the officer's employment with the Corporation and its subsidiaries or from a change of control of the Corporation or any subsidiary or any change in the Named Executive Officer's responsibilities following a change in control, other than as follows:

1. Pursuant to an employment agreement dated October 1, 2004 made between a subsidiary of the Corporation and David Fowler, Mr. Fowler receives a monthly salary of US\$5,200 (annual salary of US\$62,400). On termination by the subsidiary of the Corporation for disability reasons or on a change of control, Mr. Fowler would be entitled to terminate the agreement, all stock options held by Mr. Fowler would become fully vested and Mr. Fowler would receive a payment of US\$116,000.
2. Pursuant to an employment agreement dated September 1, 2008 made between a subsidiary of the Corporation and Ignacio Salazar, Mr. Salazar receives a monthly salary of US\$5,000 (annual salary of US\$60,000). On termination by the Corporation for disability reasons or on a change of control, Mr. Salazar would be entitled to terminate the agreement, all stock options held by Mr. Salazar would become fully vested and Mr. Salazar would receive a payment of US\$90,000.
3. In January, 2010 George Schroer resigned as Vice President Exploration receiving US\$41,880 for annual leave payment in lieu of notice period.
4. In January, 2010 John Sadek resigned as Vice President Operations receiving US\$49,246 for annual leave and payment in lieu of notice period.
5. Mr. Fowler and Mr. Salazar provide consulting services to the Corporation via service agreements. During the financial year ended May 31, 2010 they received the following compensation for their services: David Fowler US\$147,600 and Ignacio Salazar US\$114,000. On termination of such contracts by the Corporation, or termination for disability reasons or for a change of control, Messrs. Fowler, and Salazar would be entitled to receive termination payments of US\$264,000 in the case of Mr. Fowler and US\$180,000 in the case of Mr. Salazar.

## DIRECTOR COMPENSATION

### Director Compensation Table

During the financial year ended May 31, 2010, outside directors received aggregate compensation of \$226,039 for services provided to the Corporation in their capacities as directors as follows:

Name (¹)	Fees Earned (\$)	Share Based Awards	Option Based Awards (\$)	Non Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Tony Shearer (²)	19,538	Nil	-	Nil	-	-	19,538
Mario Caron (³)	39,375	Nil	35,501	Nil	Nil	Nil	74,876
William Lindqvist	36,75	Nil	8,875	Nil	Nil	Nil	45,625
Julio C. Porteiro	31,5	Nil	8,875	Nil	Nil	Nil	40,375
Roger Davey	36,75	Nil	8,875	Nil	Nil	Nil	45,625

(¹) Compensation for Messrs. Fowler and Salazar are reflected in the Summary Compensation for NEO's Table set out above.

(²) Tony Shearer resigned as Chairman in October, 2009.

(³) Mario Caron was appointed Chairman in October, 2009.

### Narrative Discussion

Mario Caron, who is current Chairman of the Board of Directors receives an annual retainer of US\$50,000 while Independent, Non-Executive Directors receive annual retainers of US\$30,000 each one. All Directors are reimbursed for travel and other expenses they incur when they attend meetings or conduct Corporation business but they do not receive "per attendance" fees. In May, 2010 the Remuneration Committee resolved that the total amount of one year Director's retainer should be used by the Director for purchasing Corporation's shares in the market over a period of three years. All director compensation is included in the table above.

### Directors Share-Based Awards and Option-Based Awards

The following table provides information for each of the directors for all awards outstanding at May 31, 2010. This includes awards granted before the year ended May 31, 2010.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the Money Options (\$)	Number of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Mario Caron	100,000	0.61	14 Oct. 2014	Nil	Nil	Nil
William Lindqvist	50,000	4.62	7 Dec. 2010	Nil	Nil	Nil
	25,000	0.60	15 Oct. 2013	Nil	-	-
	25,000	0.61	14 Oct. 2014	Nil	-	-
Julio Porteiro	50,000	3.90	12 Oct. 2011	Nil	Nil	Nil
	25,000	0.60	15 Oct. 2013	Nil	-	-
	25,000	0.61	14 Oct. 2014	Nil	-	-
Roger Davey	50,000	3.15	9 Oct. 2012	Nil	Nil	Nil
	25,000	0.60	15 Oct. 2013	Nil	-	-
	25,000	0.61	14 Oct. 2014	Nil	-	-

## Directors Incentive Plan Awards-Value Vested or Earned During the Year

The following table provides detailed information for each director for the year ended May 31, 2010.

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 (\$)
Tony Shearer	Nil	Nil	Nil
Mario Caron	Nil	Nil	Nil
Bill Lindqvist	Nil	Nil	Nil
Julio C. Porteiro	Nil	Nil	Nil
Roger Davey	Nil	Nil	Nil

(\*) Incentive plan awards for Messrs. Fowler and Salazar are reflected in the Incentive Plan Awards-Value Vested or Earned during the Year table, set out above for NEO's.

## EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table sets out information as of May 31, 2010 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Equity Compensation Plan Information			
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	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in second column)
Equity compensation plans approved by security-holders (*)	2,749,850	\$2.04	1,767,977
Equity compensation plans not approved by security-holders	Nil	Nil	Nil
Total	2,749,850	-	1,767,977

(\*) The only equity compensation plan currently in place is the Corporation's Stock Options Plan, as amended.

The Corporation has a Stock Option Plan (the "Existing Plan") that was approved and ratified by the shareholders of the Corporation on November 18, 2004. Pursuant to the Existing Plan, the Board of Directors may allocate non-transferable options to purchase Common Shares of the Corporation to directors, officers, employees and consultants of the Corporation and its subsidiaries.

The Existing Plan is administered by the Board of Directors of the Corporation. Under the Existing Plan, at the time of granting the options, the aggregate number of Common Shares to be delivered upon exercise of all options granted thereunder, and the aggregate number of Common Shares to be delivered upon exercise of the options to any one individual granted thereunder, may not exceed the maximum number permitted by any stock exchange on which the Common Shares may be listed or by any other regulatory body having jurisdiction.

Options issued pursuant to the Existing Plan will have an exercise price as determined by the Board of Directors of the Corporation provided that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed.

During the Corporation's last fiscal year ended May 31, 2010, 275,000 stock options were granted to the Named Executive Officers. During the Corporation's last fiscal year ended May 31, 2010, the Corporation granted an aggregate of 1,417,000 stock options to Directors, employees and consultants.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or, at any time during the most recently completed financial year was, a director or executive officer of the Corporation, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing is or at any time since the beginning of the most recently completed financial year had been (i) indebted to the Corporation, or (ii) indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

As of August 27, 2010 no executive officer, director, employee or former executive officer, director or employee of the Corporation was (i) indebted to the Corporation, or (ii) indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Corporation has directors' and officers' liability insurance for the benefit of the directors and officers of the Corporation which was renewed for the period of August 10, 2010 to August 10, 2011.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself, if has purchased, redeemed or otherwise acquired any of its shares for so long as it has held any of its securities.

## AUDIT COMMITTEE

Pursuant to the provisions of section 173 of the Business Corporations Act (Yukon), the Corporation is required to have an Audit Committee. The Corporation must also, pursuant to the provisions of National Instrument 52-110 Audit Committees ("NI 52-110"), which came into force on March 30, 2004, have a written charter which sets out the duties and responsibilities of its audit committee.

## COMPOSITION OF THE AUDIT COMMITTEE

The following are the names of the current members of the Audit Committee, all of whom are independent. The relevant education and experience of each Audit Committee member supporting his financial literacy is also disclosed.

Julio Porteiro, Chairman of the Audit Committee, is a Certified Public Accountant from the University of the Republic of Uruguay. He is the main partner of the Uruguayan consulting firm Julio C. Porteiro & Associates a consulting firm specializing in the formulation and evaluation of investment projects and company and human resource development in Uruguay. He was the President of Nuevo Banco Comercial S.A. the largest private bank in Uruguay until July 2006, leading its restructure and sale to international investors in June 2006. He has also served as President of the Association of Certified Public Accountants, Economists and Managers of Uruguay and a member of the Developing Nations Committee of the International Federation of Accountants until December 2008. He is the corporate controller of Crédito Uruguay Bank, a member of Crédito Agricole Group (France).

William Lindqvist, member of the Audit Committee, has a PhD in Applied Geology from the Royal School of Mines, London, and is a member of the Aus IMM, SEG and AIME. He is an Independent Consulting Geologist, with 35 years international experience in exploration. He was previously Vice President Exploration for Homestake Mining Company and Executive General Manager Exploration for Newcrest Mining Ltd. Bill is currently a Director of Plutonic Power Corporation, AndeanGold Corp. and Evolving Gold Corp.

Mario Caron, member of the Audit Committee, holds a Bachelor of Engineering degree in Mining from McGill University and is a member of the Quebec Order of Engineers and the Association of Professional Engineers of Ontario. He has over 30 years of experience in the mining industry including board and management expertise in operations, exploration, and capital markets as well as government relations, from projects in North, Central and South America, Africa and South-East Asia. He is currently a Director of Axmin Inc., Vaaldiam Mining Inc. (formerly Tiomin Resources Inc.) and Medoro Resources Ltd. Previously, he was the CEO of Axmin Inc. and the CEO and a Director of Tiberon Minerals Ltd.

### Statement of Independence of the members of the Audit Committee

The Board of Directors of the Corporation considers that all the members of the Audit Committee are independent and have no direct or indirect material relationship with the Corporation, pursuant to NI 52-110.

### Audit Committee Charter

Please refer to disclosure upon the Audit Committee Charter in Annexure I hereto.

### Pre-Approved Policies and Procedures

The Audit Committee has adopted policies and procedures whereby any engagement of non-audit services during the fiscal year ended May 31, 2010 required the approval of the Audit Committee.

### External Auditor Service Fees (\*)

Fiscal Year End	Audit Fees (\$)	Audit Related Related Fees (\$)	Tax Fees (*) (\$)	Fees Related to Fortune Valley Resources Inc. Transaction (\$)	All Other Fees (?) (\$)
2010	185,25	25,25	18,17	46,25	1,975
2009	183,85	15	29,328	-	1,654
2008	147,1	8,944	60	-	1,788

Notes:

(\*) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(?) Fees charged for tax compliance, tax advice and tax planning services.

(?) Fees for services other than disclosed in any other column.

(\*) The above Fees include Fees billed by the Corporation's external auditors as well as Fees provided by the external auditors' affiliates with respect to the Corporation's subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Directors

National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") refers to the definition of an "independent" director as a director who has no direct or indirect material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment.

The Board is currently comprised of six members, four of whom (Messrs. Caron, Lindqvist, Davey and Porteiro) are "independent" within the meaning of NI 58-101. Messrs. David Fowler, Chief Executive Officer and Ignacio Salazar, Chief Financial Officer are directors of the Corporation who are also members of management.

To facilitate open and candid discussion among independent directors, the independent directors of the Corporation meet at regularly scheduled sessions with no members of management present.

Mr. Mario Caron is the Chairman of the Corporation. The Chairman is responsible for providing leadership to the directors of the Corporation and for setting the tone for the directors of the Corporation to foster effective, ethical and responsible decision-making, appropriate supervision of management and strong corporate governance practices.

The following directors of the Corporation are also directors of the following other reporting issuers:

Name of Director	Other Reporting issuers
Mario Caron	Axmin Inc. (TSX-V)
	Vaaldiam Mining Inc. (TSX)
	Medoro Resources Ltd. (TSX-V)
William Lindqvist	Plutonic Power Corp. (TSX)
	AndeanGold Ltd. (TSX-V)
	Evolving Gold Corp. (TSXV)
Roger Davey	GoldQuest Mining Corp (TSX)
	Alexander Mining (AIM)
	Emed Mining (AIM)

The Board is responsible to the shareholders for the overall direction and control of the Corporation and its subsidiaries (collectively the “Group”), as well as for the corporate governance of the consolidated entity. It guides and monitors the business affairs of the Corporation on behalf of the shareholders by whom the directors are elected, and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the operation of the Board. It has delegated to the CEO the management operation and administration of the consolidated entity within parameters set by the Board, and has delegated certain matters to Committees of the Board. The Board ensures that the executive management is appropriately qualified and experienced to discharge their responsibilities, and regularly monitors the performance of the executive team. In addition, the Board reserves to itself the setting of the strategy including any change in the nature of the Group’s business, all decisions relating to the issue of shares, options and warrants, dividend policy, any material decisions in respect of acquisition or disposal of fixed assets, companies, businesses, properties and titles, any partnerships, joint ventures or farm-in arrangements, the approval of the Corporation’s financial statements, and the approval of all circulars and listing particulars required by the authorities.

At each scheduled meeting, directors are apprised of the Group’s current performance, financial position, and any significant strategic issues. The Corporate Secretary is responsible for ensuring that Board procedures are followed, and all directors have access to her advice and services. The Board is satisfied that it is provided with information of an appropriate form and quality to enable it to discharge its duties. Directors may, in the furtherance of their duties, seek independent professional advice, at the Corporation’s expense if considered appropriate.

The composition of the Board is reviewed on a regular basis to ensure that its make up and the diversity of skills and experience are appropriate for the Corporation. The directors bring to the Board a wide range of experience and skills, and participate fully in decision on key issues facing the group. The directors hold regular meetings with shareholders and their representatives to discuss the Corporation’s strategy and financial performance.

### **Orientation and Continuing Education**

The Chief Executive Officer of the Corporation is responsible for providing an orientation and education program for new directors of the Corporation. When a new director is added, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of each director.

### **Ethical Business Conduct**

The Directors of the Corporation have adopted a written code of business conduct and ethics (the “Code”) a copy of which may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Employees who know of or suspect a violation of the Code or of any applicable laws, rules or regulations have an obligation to report this information

immediately to a member of management. The directors of the Corporation are responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

The directors of the Corporation as a whole ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer of the Corporation has an interest by requiring that such director or executive officer does not participate in the discussion or decisions regarding the transaction or agreements. Directors and executive officers of the Corporation are urged, where appropriate, to retain independent professional advice to ensure the fulfillment of their duties.

### **Nominations of Directors**

The Board performs the functions of a nominating committee with responsibility for identifying and recommending new candidates. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation.

### **Compensation**

The Corporation's executive remuneration program is administered by the Remuneration Committee whose composition is disclosed on page 4 herein.

### **Other Committees of the Board of Directors of the Corporation**

Other than the Audit Committee and the Remuneration Committee, the directors of the Corporation have the following standing committees:

- The Corporate Governance Committee
- The Health, Safety and Environment Committee

The Corporate Governance Committee is comprised by Messrs. Caron, Lindqvist and Porteiro (chaired by Mr. Caron). It is responsible for the Corporation's approach to, and reporting in respect of, corporate governance, for ensuring that all members of the Board understand their duties and responsibilities.

The Health, Safety and Environment Committee comprises the four non-executive Directors (chaired by Mr. Davey). The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to due diligence in the development and implementation of systems and programs for the management of health, safety and environment with a view to ensuring the Corporation remains on the "leading edge" in the ongoing institution of best-in-class practices.

### **Assessments**

The Directors assess, on an annual basis, the contributions of the Board as a whole, and individual Board members contributions to it and to the Committees, in order to determine whether each is functioning effectively.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may contact the Corporation to request copies of the Corporation's financial statements and Management Discussion and Analysis.

Orosur Mining Inc.  
 Blanes Viale 6254  
 Montevideo, Uruguay 11,500  
 Phone: 011-5982-601-6354  
 Fax: 011-598-2-600-6232

The financial information of the Corporation is provided in the Corporation's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year ended May 31, 2010.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Number of Directors

There are presently six (6) directors of the Corporation; all of whose terms expire at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of fixing the number of directors to be elected at six (6).

### 2. Election of Board of Directors

Unless otherwise directed, it is the intention of management to vote proxies in favour of the election as directors of the six (6) nominees hereinafter set forth in Table 1 below.

**Management does not contemplate that any such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, the persons named in the form of proxy reserve the right to vote for any other nominee in their sole discretion.**

The following table and notes thereto state the names of all persons proposed to be nominated by management for election as directors, their province/state and country of residence, all other major positions and offices with the Corporation presently held by them, their principal occupations or employment, the month and year in which they became directors of the Corporation, and the approximate number of voting shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, as at August 27, 2010:

Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected, unless the office is earlier vacated in accordance with the by-laws of the Corporation.

Name and Municipality of Residence	Position in the Corporation	Principal Occupation for the Last Five Years	Number of Shares Beneficially Owned <sup>(*)</sup>
Mario Caron <sup>(*)</sup> <sup>(?)</sup> <sup>(+)</sup> <sup>(§)</sup> Ontario, Canada	Chairman of the Board of Directors (since 2009)	Director of Axmin Inc. since 2008 to present. Director of Tiberon Minerals Ltd. from July 2003 to August 2007.	Nil
David Fowler Montevideo, Uruguay	Chief Executive Officer and Director (since 2005)	Chief Financial Officer of the Corporation from April 2004 to February, 2007 and from December, 2007 to August 2008 and Chief Executive Officer from May 2006 to present.	133,451
William Lindqvist <sup>(*)</sup> <sup>(?)</sup> <sup>(§)</sup> California, USA	Non-Executive Director (since 2005)	Independent Consulting Geologist from March 2002 to present; Vice President of Exploration from Homestake Mining Company from 1990 to 1992 and again from 1995 to 2002. He is currently Director of Plutonic Power Corporation, Salomon Resources Ltd., Andean Gold Ltd. and Evolving Gold Corp.	30,000
Julio C. Porteiro <sup>(*)</sup> <sup>(?)</sup> <sup>(§)</sup> Montevideo, Uruguay	Non-Executive Director (since 2006)	Currently Senior Partner of Julio C. Porteiro & Asoc.; President of Nuevo Banco Comercial S.A. from 2005 to 2006; former President of the Association of Certified Public Accountants and Economists of Uruguay. He is the corporate controller of Crédit Uruguay Bank, a member of Crédit Agricole Group (France).	15,000
Roger Davey <sup>(+)</sup> <sup>(§)</sup> London, England	Non-Executive Director (since 2007)	Presently Assistant Director and the Senior Mining Engineer at N M Rothschild (London) in the Mining and Metals project finance team and Non-Executive Director in GoldQuest Mining Corp.; Alexander Mining and Emed Mining. Previous positions held include Director, Vice President and General Manager of Minorco (AngloGold) subsidiaries in Argentina; Operations Director of Greenwich Resources plc, London; Production Manager for Blue Circle Industries in Chile; and various production management roles in Gold Fields of South Africa.	Nil
Ignacio Salazar	Chief Financial Officer (since August, 2008)	Previously Ignacio was Finance Program Director in Shell International Central Finance from July 2007 until July, 2008. From 2002 until 2007 he was Senior Finance Executive in Deutsche Shell & Dansk Shell Hamburg & Copenhagen.	30,000

**Notes:**

- (<sup>1</sup>) The information as to shares beneficially owned, not being within the knowledge of the Corporation has been furnished by the respective nominees.
- (<sup>2</sup>) Members of the Audit Committee.
- (<sup>3</sup>) Members of the Corporate Governance Committees
- (<sup>4</sup>) Members of the Remuneration Committee
- (<sup>5</sup>) Members of the Health, Safety and Environment Committee.

*No proposed director:*

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years of the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that,
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.
- (b) is, as at the date of this Management Information Circular, or has been within 10 years of the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) 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 except Mr. Fowler who was an officer of Western Metals Limited which was put into administration;
- (c) has, within the 10 years before the date of this Management 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;
- (d) has been subject to, at any time, any penalties or sanctions imposed by
  - (i) a court relating to securities legislation or a securities regulatory authority or has entered into, at any time, a settlement agreement with a securities regulatory authority, or
  - (ii) a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Interest of Certain Persons or Companies in Matters to be Acted Upon*

No Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the amendment to the Stock Option Plan. For the purpose of this paragraph, "Person" shall include each person: (a) who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year; (b) who is a proposed nominee for election as a director of the Corporation; or (c) who is an associate or affiliate of a person included in subparagraphs (a) and (b).

**3. Appointment of Auditor**

It is the intention of management to propose to the shareholders to reappoint the firm of PricewaterhouseCoopers LLP, Chartered Accountants, Royal Trust Tower, Suite 3000, Toronto Dominion Center, Toronto, Ontario, Canada M5K 1G8 as auditor of the Corporation until the close of the next annual general meeting of shareholders; and to authorize the directors of the Corporation to fix the remuneration of PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP, Chartered Accountants, were first appointed auditor of the Corporation on October 19, 2005.

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to reappoint the firm of PricewaterhouseCoopers LLP, Chartered Accountants as auditor of the Corporation and to authorize the directors to fix their remuneration.

#### 4. Stock Option Plan

The Corporation adopted a stock option plan (the "Stock Option Plan") which was approved by the shareholders on February 23, 2001 for the purpose of advancing the interests of the Corporation by encouraging directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates to acquire Common Shares, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation.

An amendment to the Stock Option Plan was approved by shareholders on November 18, 2004 to increase the number of Common Shares reserved for issuance.

On August 10, 2010 the board of directors approved an amendment to the Stock Option Plan to change the Stock Option Plan from a fixed plan where 6,000,000 Common Shares were reserved for issuance to a rolling plan where 10% of the issued and outstanding Common Shares from time to time were reserved for issuance. The Stock Option Plan was also amended to reflect the new name of the Corporation and was restated. The amended and restated Stock Option Plan is subject to TSX Venture Exchange ("TSXV") approval and shareholder approval.

##### *Material Terms of the Amended and Restated Plan*

The following is a summary of the material terms of the amended and restated Stock Option Plan.

*Eligible Participants:* Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services (excluding investor relations services) to the Corporation or its subsidiaries shall be eligible for selection to participate in the Stock Option Plan.

*Number of Common Shares Reserved.* The Stock Option Plan reserves for issuance 10% of the issued and outstanding Common Shares from time to time. As at August 27, 2010 the Corporation had 64,795,426 Common Shares issued and outstanding. As at the date hereof there were 2,874,850 stock options outstanding.

*Maximum Options.* No more than 5% of the issued shares of the Corporation may be granted to any one individual in any 12 month period (unless the Corporation has obtained disinterested shareholder approval). No more than 2% of the issued shares of the Corporation may be granted as options to any one consultant in any 12 month period. No more than an aggregate of 2% of the issued shares of the Corporation may be granted as options to all employees conducting investor relations activities, in any 12 month period. No more than 10% of the issued shares of the Corporation shall be granted to insiders within a 12 month period.

*Determination of Exercise Price.* The exercise price of the shares subject to each option shall be determined by the board of directors and in no event shall such price be lower than the price permitted by the TSXV.

*Vesting.* The board of directors may determine the manner in which the options shall vest subject to the policies of the TSXV.

*Transferability.* Options granted under the Stock Option Plan are not assignable or transferable except if transferred under the participant's will or the laws of descent and distribution.

*Termination of Employment.* If a participant shall cease to be a director, officer, consultant, employee of the Corporation or its subsidiaries, or a management company employee for any reason (other than death), he or she may exercise his or her option to the extent that he or she was entitled to exercise it at the date of such cessation, but only within 90 days after his or her ceasing to be a director, officer, consultant, employee or a management company employee, unless such participant was engaged in investor relations activities in which case, only within 30 days after the cessation of his or her services to the Corporation.

*Amendments to the Plan.* Subject to applicable approval of the TSXV, the board of directors may, at any time, suspend, terminate, amend or revise the terms of the Stock Option Plan, provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Stock Option Plan.

A copy of the Stock Option Plan is available upon request to the Secretary of the Corporation.

Shareholders will be asked to consider, and if thought advisable to pass a resolution to approve the amended and restated Stock Option Plan as follows:

## BE IT RESOLVED THAT:

1. the amended and restated stock option plan of Orosur Mining Inc. (the “Corporation”) adopted by the board of directors on August 10, 2010 and conditionally accepted for filing by the TSX Venture Exchange on August 27, 2010, be and is hereby confirmed, ratified and approved; and
2. the Company is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out these resolutions with regulatory authorities and/or the TSX Venture Exchange.

In accordance with the policies of the TSXV, the amended and restated Stock Option Plan must be approved by a majority of votes cast at the Meeting on the resolution. Unless authority is withheld, the Common Shares represented by the accompanying form of proxy will be voted FOR the ordinary resolution approving the amended and restated Stock Option Plan.

### **5. Other Business**

While there is no other business other than that mentioned in the Notice of Meeting to be presented for consideration by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

## APPROVAL AND CERTIFICATION OF OROSUR MINING INC.

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

The foregoing contains no untrue statements of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

### **On behalf of the Management of Orosur Mining Inc.**

“Signed”  
**David Fowler**, Chief Executive Officer

August 27, 2010

## ANNEXURE 1 – AUDIT COMMITTEE CHARTER

### Composition

1. The Committee will be comprised of no less than three directors of the Corporation, all of whom must be independent. Unless waived, 24 hour notice must be given. Quorum of meetings shall be a majority of members. Meetings may be by telephone or in person.
2. The length of term to be served by directors on the Committee will be determined by the Board of Directors of the Corporation (the “Board”), giving consideration to the benefits of periodic rotation of committee membership.
3. One of the members will be appointed Chairman of the Committee by the Board.
4. A secretary to the Committee will be appointed by the Chairman of the Committee. The Secretary of the Committee may or may not be a member of the Committee.
5. With the approval of the Board, the Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities.

### Responsibilities

The responsibilities which the Committee is required to satisfy itself of, on behalf of the Board, are to:

1. recommend to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditor.
2. oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the management and external auditor regarding financial reporting;
3. pre-approve all non-audit services to be provided to the Corporation or to its subsidiaries by the Corporation’s external auditor;
4. ensure that the Corporation’s annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;
5. ensure that the information contained in the following financial publications is not significantly incomplete, misleading or erroneous:
  - (i) Annual Report to Shareholders
  - (ii) Management Discussion and Analysis (“MD&A”)
  - (iii) Annual Information Form (“AIF”)
  - (iv) Quarterly Financial Information
  - (v) Prospectuses
6. review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
7. ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the public disclosure referred to in subsection (e), and must periodically assess the adequacy of those procedures.
8. ensure that there are established procedures for:
  - (i) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. review and approve the Corporation’s policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

10. ensure that the Corporation has implemented appropriate systems of internal control over financial reporting, and appropriate systems of internal control to ensure compliance with legal, regulatory and ethical requirements.

### **Meetings**

The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements and for meetings with the external auditors, prior to a submission of observation and recommendations to the Board. Additional meetings may be held as deemed necessary by the Chairman of the Committee or as requested by any member or the external auditors.

### **Reporting**

1. The minutes of all meetings of the Committee, signed by the Chairman of the Committee and the Secretary to the Committee, are to be provided to the Board. Oral reports on recent matters not yet minuted are to be provided to the Board by the Chairman of the Committee.
2. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary to the Committee.



[www.orosur.ca](http://www.orosur.ca)

OROSUR MINING