

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
MANAGEMENT PROXY AND INFORMATION CIRCULAR

URUGUAY MINERAL EXPLORATION



This Management Proxy and Information Circular is furnished in connection with the solicitation of proxies by management of Uruguay Mineral Exploration Inc. to be voted at the Annual General Meeting of the shareholders of the Corporation to be held on Friday, October 10, 2008 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, 2008

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Friday, October 10, 2008

### To the shareholders:

**Take notice** that an Annual General Meeting (the “Meeting”) of the Shareholders of Uruguay Mineral Exploration Inc. (the “Corporation”) will be held at Garden Room, City of London Club, 19 Old Broad Street, London, United Kingdom EC2N 1DS on Friday, October 10, 2008 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, 2008 and the report of the auditors thereon;
2. to fix the board of directors of the Corporation at eight (8) 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; and
5. 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.

**Dated** this 27th day of August, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

**Tony Shearer**  
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 Chairman, Tony Shearer at: [tonyshearer@btinternet.com](mailto:tonyshearer@btinternet.com) or 10 Napier Road, London W14 8LQ, England, United Kingdom. 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, Bridgwater 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 GENERAL MEETING OF SHAREHOLDERS

Friday, October 10, 2008

## 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 Uruguay Mineral Exploration Inc. (the “Corporation”) of proxies for the Annual General Meeting of the shareholders of the Corporation (the “Meeting”) to be held on Friday, October 10, 2008, 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 at the Meeting, other than the persons designated in the enclosed proxy form, by inserting the name of his 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 appointment, obtain his consent to act as proxy and should instruct him 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

Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. Beneficial Shareholders who complete and return a proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to registered shareholders is identical to that provided to Beneficial Shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

## 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 printing 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, 2008 (the "Effective Date"), the Corporation has 48,667,068 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 5, 2008 (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, except to the extent that: (a) the holder has transferred the ownership of any of his Common Shares after that date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares, and demands not later than the close of business, ten (10) days before the Meeting, that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the Effective Date, no person, firm or corporation own, directly or indirectly, or exercise control or direction over voting securities carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation, except for AXA and affiliates holding 12.96% and SAAD Investment holding 10.02% of the common outstanding shares of the Corporation.

## STATEMENT OF EXECUTIVE COMPENSATION

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

### Compensation of Named Executive Officers

"Named Executive Officers" means the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, regardless of the amount of the compensation of those individuals, and each of the Company's three most highly compensated executive officers, other than the CEO and the CFO, who are serving as executive officers or employees of the Company or its subsidiaries at the end of the most recently completed fiscal year and whose total salary and bonus amounted to \$150,000 or more.

### Summary Compensation

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the financial years ended May 31, 2006, 2007 and 2008 in respect of Named Executive Officers.

## SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary (2) (\$)	Bonus (8) (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (3) (#)	Restricted Shares or Restricted Share Units (\$)	LTIP (1) Payouts (\$)	All other Compensation (\$)
David Fowler (4) Chief Executive Officer	2006	138,755	-	Nil	50,000	-	-	-
	2007	167,432	29,893	Nil	200,000	-	-	-
	2008	159,867	26,967	Nil	200,000	-	-	-
Pablo Ferrari (5) Chief Financial Officer	2006	-	-	Nil	-	-	-	-
	2007	40,325	-	Nil	150,000	-	-	-
	2008	45,070	-	Nil	-	-	-	77,516
John Sadek (6) Vice President Operations	2006	142,802	-	Nil	50,000	-	-	-
	2007	142,699	24,896	Nil	100,000	-	-	-
	2008	143,674	22,459	Nil	120,000	-	-	-
George Schroer (7) Vice President Explorations	2006	-	-	Nil	-	-	-	-
	2007	124,676	24,896	Nil	200,000	-	-	-
	2008	143,659	22,459	Nil	150,000	-	-	-

## Notes:

- (1) "LTIP" or "long term incentive plan" means any plan which provides compensation intended to serve as an incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.
- (2) Part paid to Corporations of which Messrs. Fowler, Ferrari, Sadek and Schroer are consultants.
- (3) The value of stock based compensation is not included in the above figures. The fair value of stock options issued to Messrs. Fowler, Sadek and Schroer in the fiscal year 2008 were respectively \$197,364, \$ 118,418 and \$ 148,023 and are recorded as an accrued expense during the three year vesting period since granted..
- (4) David Fowler was appointed as Chief Executive Officer in May 2006.
- (5) Pablo Ferrari was appointed as Chief Financial Officer in February 2007 and resigned in November 2007.
- (6) John Sadek was appointed as Vice President Operations in October, 2004.
- (7) George Schroer was appointed as Vice President Explorations in June 2006.
- (8) Bonus corresponding to performance during financial year 2008 paid in June 2008.

**Options and SARs**

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 there under, and the aggregate number of Common Shares to be delivered upon exercise of the options to any one individual granted there under, 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, 2008, 470,000 stock options were granted to the Named Executive Officers. During the Corporation's last fiscal year ended May 31, 2008, the Corporation granted an aggregate of 824,000 stock options to Directors, employees and consultants.

The following table sets forth information upon grants of options and freestanding SARs made to the Named Executive Officers during the Corporation's fiscal year ended May 31, 2008.

## AGGREGATED OPTION/SAR GRANTS DURING THE FISCAL YEAR ENDED MAY 31, 2008 OF OPTION/SAR VALUES

Name and Title	Securities Under Options/SARs Granted	Per cent of Total Options Granted to Employees in Financial Year	Exercise or Base price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
David Fowler Chief Executive Officer	200,000 <sup>(1)</sup>	24.3 %	\$3.3	\$3.3	13.Nov.2012
Pablo Ferrari Chief Financial Officer	Nil	-	-	-	-
John Sadek VP Operations	120,000 (1)	14.6%	\$3.3	\$3.3	13.Nov.2012
George Schroer VP Explorations	150,000 (1)	18.2%	\$3.3	\$3.3	13.Nov.2012

(1) These stock options vest over a three year period in equal yearly amounts.

The following table sets forth information in respect of each exercise of options and freestanding SARs, if any, during the Corporation's fiscal year ended May 31, 2008 and the financial year end value of unexercised options and SARs.

## AGGREGATED OPTION/SAR EXERCISES DURING THE FISCAL YEAR ENDED MAY 31, 2008 OF OPTION/SAR VALUES

Name and Title	Securities Acquired on Exercise	Aggregate Value Realized <sup>(1)</sup>	Unexercised Options/SARs at Fiscal Year End		Value of Unexercised "in-the-money" Options/SARs at Fiscal Year End <sup>(2)</sup>	
			Vested	Non-vested	Vested	Non-vested
David Fowler Chief Executive Officer and Director	Nil	\$0	299,998	350,002	Nil	Nil
Pablo Ferrari <sup>(3)</sup> Chief Financial Officer	Nil	\$0	Nil	150,000	Nil	Nil
John Sadek Vice President Operations	Nil	\$0	266,665	203,335	Nil	Nil
George Schroer Vice President Explorations	Nil	\$0	66,666	283,334	Nil	Nil

## Notes:

- (1) Calculated using the average of the high and low prices for a board lot of the Common Shares on the TSX Venture Exchange Inc.
- (2) Value of unexercised in-the-money options calculated using the closing price of the Common Shares on the TSX Venture Exchange on May 31, 2008 of \$2.75 per share, less the exercise price of in-the-money stock options.
- (3) In accordance with the Stock Option Agreement, stock options granted to Pablo Ferrari were cancelled 90 days after the termination of his contract with the Company.

*Long Term Incentive Plans*

During the fiscal year ended May 31, 2008 the Corporation has not paid any bonuses under the recently approved Long Term Incentive Plan.

*Stock Appreciation Rights and Restricted Shares*

No stock appreciation rights or restricted shares were granted by the Corporation to any of the Named Executive Officers of the Corporation during the last fiscal year ended May 31, 2008 and no stock appreciation rights were exercised.

*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, 2008 or prior thereto.

### Pension and Retirement Plans

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 of Employment, Change in Responsibilities and Employment Contracts" 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.

### Compensation of Directors

During the financial year ended May 31, 2008, outside directors received aggregate compensation of \$206,247 for services provided to the Company in their capacities as directors as follows:

Name of Director	Directors' Fees (\$)	Committee Fees (\$)	All Other Compensation (\$)
John Morris	30,187	Nil	Nil
Tony Shearer	61,602	Nil	Nil
William Lindqvist	30,187	20,124	Nil
Julio C. Porteiro	30,187	Nil	Nil
Roger Davey <sup>(1)</sup>	30,187	3,773	Nil

#### Notes:

(1) Roger Davey was appointed as Non-Executive Director in August, 2007. Since November, 2007 he receives additional compensation for multiple technical field visits in his capacity as member of the Reserves and Resources Committee.

During the financial year ended May 31, 2008, 50,000 incentive stock options and no SARs (stock appreciation rights) were granted to the outside Directors as follows:

Name and Title	Securities Under Options/SARs Granted	Exercise or Base price(\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Roger Davey	50,000	\$ 3.15	\$ 3.15	9.Oct.2012

The following table sets out the incentive stock options exercised by the outside Directors during the most recently completed fiscal year as well as the fiscal year end value of stock options still held by the outside Directors. During this period, no outstanding SARs were held by outside Directors.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)(1)	Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End (2)	
			Vested (#)	Non-vested (#)	Vested (\$)(2)	Non-vested (\$)(2)
John Morris	Nil	Nil	33,333	16,667	Nil	Nil
Tony Shearer	Nil	Nil	33,333	16,667	Nil	Nil
William Lindqvist	Nil	Nil	33,333	16,667	Nil	Nil
Julio C. Porteiro	Nil	Nil	16,666	33,334	Nil	Nil
Roger Davey	Nil	Nil	0	50,000	Nil	Nil

#### Notes:

(1) Calculated using the average of the high and low prices for a board lot of the Common Shares on the TSX Venture Exchange Inc.

(2) Value of unexercised in-the-money options calculated using the closing price of the Common Shares on the TSX Venture Exchange on May 31, 2008 of \$2.75 per share, less the exercise price of in-the-money stock options.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

The Corporation did not have in place during the fiscal year ended May 31, 2008: (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\$ 5,300 (annual salary of US\$63,600). On a change of control, Mr. Fowler will be entitled to terminate the agreement at which time, all stock options held by Mr. Fowler will become fully vested and Mr. Fowler will receive a payment equivalent to the sum of the monthly salary then in effect that would have been payable for the shorter period of: (a) thirty-eight (38) months from the date of termination; and (b) the period commencing on the date of termination and ending on the date of Required Retirement. On termination by the Corporation for disability reasons, Mr. Fowler is entitled to the monthly salary for the shorter period of (a) thirty-eight (38) months from the date of termination; and (b) the period commencing on the date of termination and ending on the date of Required Retirement.
2. Pursuant to an employment agreement dated October 1, 2004 made between a subsidiary of the Corporation and John Sadek, Mr. Sadek receives a monthly salary of US\$ 5,000 (annual salary of US\$60,000). On a change of control, Mr. Sadek will be entitled to terminate the agreement at which time, all stock options held by Mr. Sadek will become fully vested and Mr. Sadek will receive a payment equivalent to the sum of the monthly salary then in effect that would have been payable for the shorter period of: (a) thirty-eight (38) months from the date of termination; and (b) the period commencing on the date of termination and ending on the date of Required Retirement. On termination by the Corporation for disability reasons, Mr. Sadek is entitled to the monthly salary for the shorter period of (a) thirty-eight (38) months from the date of termination; and (b) the period commencing on the date of termination and ending on the date of Required Retirement.
3. Pursuant to an employment agreement dated September 1, 2006 made between a subsidiary of the Corporation and George Schroer, Mr. Schroer receives a monthly salary of US\$ 5,000 (annual salary of US\$60,000). On a change of control, Mr. Schroer will be entitled to terminate the agreement at which time, all stock options held by Mr. Schroer will become fully vested and Mr. Schroer will receive a payment equivalent to the sum of the monthly salary then in effect multiplied by thirty-seven (37). On termination by the Corporation for redundancy or disability reasons, Mr. Schroer is entitled to the monthly salary then in effect multiplied by thirty-seven (37).
4. Mr. Pablo Ferrari resigned in November, 2007 receiving a redundancy payment of US\$ 78,000.
5. Mr. Fowler, Mr. Sadek, Mr. Schroer provide consulting services to the Corporation via service agreements. During the financial year ended May 31, 2008 they received the following compensation for their services: David Fowler \$95,880, John Sadek \$83,111, George Schroer \$83,189. Pablo Ferrari provided consulting services to the Corporation via service agreement until November, 2007, receiving \$19,891 from June 1, 2007 to 30 November, 2007 for his services.

Other than as set forth herein, the Corporation did not pay any additional compensation to the executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year.

### **Indebtedness of Directors, Executive Officers and Senior Officers**

There was no indebtedness of any director or officer of the Corporation or of any proposed nominee for election as director to or guaranteed or supported by the Corporation or its subsidiary either pursuant to an employee stock purchase program of the Corporation or otherwise during the financial period of the Corporation ended May 31st, 2008.

### **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, 2008 to August 10, 2009.

### Composition of the Remuneration Committee

As of the Effective Date, the Corporation has a Remuneration Committee whose members are Messrs William Lindqvist, John Morris, Julio Porteiro and Tony Shearer. None of the members of the Remuneration Committee 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.

### Report of the Remuneration Committee on Executive Compensation

The following report is submitted by the Remuneration Committee.

#### Remuneration Policy

The Corporation's executive remuneration program is administered by the Remuneration Committee.

The Corporation's overall 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 four elements, namely a base salary, participation in the Corporation's incentive stock option plan, participation in a bonus incentive scheme and participation in the long term incentive plan.

Executive base salaries are determined having reference to the salary levels in the industry in which the Corporation operates. Criteria included in the determination of salary levels includes 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 Company has adopted a Stock Option Policy which establishes the recurrence and amount of stock options to be granted to directors, executive officers contractors and employees of the Corporation and its subsidiaries. According to such Policy Non-Executive Directors shall be granted 25,000 stock options every year while Executive Directors and Executive Officers shall be granted 75,000 and 50,000 stock options respectively yearly. Such stock options shall vest 1/3 when granted, 1/3 on the first anniversary from granted and 1/3 on the second anniversary from granted.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrant 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 column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	2,859,000	3.98	2,296,167
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>2,859,000</b>	<b>3.98</b>	<b>2,296,167</b>

The Bonus Scheme adopted by the Corporation establishes that executive directors and executive officers of the Corporation and its subsidiaries may earn up to a maximum of 20% of their salaries, payable each financial year based on the achievement of objectives previously set.

In financial year 2008 the Board has approved a Long Term Incentive Plan which grants to executive officers and senior manager an opportunity to earn a cash bonus for achieving agreed challenging targets over a three year period which should lead to the transformation of the Company, and consequentially significant growth and shareholder returns.

There are two targets: one based on Organic Growth (defining reserves and resources that increase the annual production to a total of 250,000 ounces); and the other based on Acquisitions (which could lead to an increase in EPS of 25% within 3 years and add 75,000 ounces or more of production per annum). Bonuses will be paid separately in respect of each target, so that the relevant Executive might receive none, one or both bonuses.

The Remuneration Committee considers the annual participation in the Corporation's share schemes, in conjunction with the Long-Term Incentive, are the primary ingredients in relating the total executive compensation to the Corporation's performance.

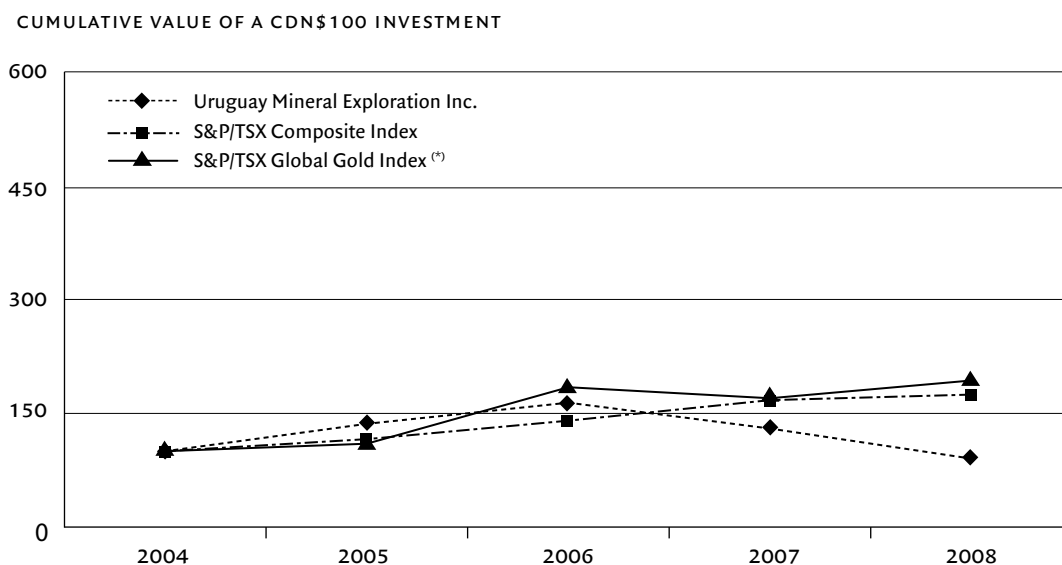
#### Chief Executive Officer Compensation

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 Corporation's share schemes and participation in a bonus scheme.

In 2007, Mr. Fowler's base salary 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 2007.

#### 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 Global Gold Index, assuming the reinvestment of dividends, where applicable, for the comparable period.



All amounts in Cdn \$	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007	May 31, 2008
Uruguay Mineral Exploration Inc.	100	136.07	163.93	129.84	90.16
S&P/TSX Composite Index	100	115.89	140.23	167.28	174.60
S&P/TSX Global Gold Index (*)	100	109.87	184.3	169.77	193.19

(\*) 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.

## 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 Multilateral Instrument 52-110 Audit Committees (“MI 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 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 was reappointed in November 2005 for a three year period as a member of the Developing Nations Committee of the International Federation of Accountants. He is the corporate comptroller of Crédit Uruguay Bank, a member of Crédit Agricole Group (France).

**Tony Shearer**, member of the Audit Committee, is a Chartered Accountant and was formerly a partner at Deloitte Haskins & Sells (1980-88). Tony is Non-Executive Chairman of Abbey Protection plc (the AIM listed specialist insurance and consultancy), of UK Wealth Management (the independent financial advisers), and Caxton FX (the foreign exchange broker), and a Non-Executive director of Alba plc (the listed consumer electrical group) and of Wogen Group plc (the AIM listed mineral trader).

Tony has held main board executive positions in a number of companies mainly in the financials services sector including listed companies Singer & Friedlander (where he was Chief Executive and before that Finance Director) and M&G Group (where he was Finance Director and Chief Operating Officer). He has worked in investment management, banking, life assurance, general insurance and Lloyd’s of London.

**John Morris**, member of the Audit Committee, was educated at Wesley College, Perth, Western Australia, completing half of the chartered accountancy qualification (which included ten years employment at an accounting firm). Mr. Morris has had over thirty five years of experience in exploration, mining and management of public companies. He was formerly a director of Gold Mines of Sardinia Limited (a gold producing company) and has been involved with the development of several other gold projects in Australia from grass roots exploration through to plant construction and production.

### 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 Multilateral Instrument 52-110 based on the following reasons:

- a. None of the members, or their immediate family members are, or at any time have been officers or employees of the Corporation, its parents, or of any of its subsidiary entities or affiliated entities;
- b. None of the members is, or has been, a partner of, or employed by a current or former internal or external auditor of the Corporation;
- c. None of the members has or had an immediate family member who is, or has been, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the Corporation;
- d. None of the members is or has been or their immediate family members are or have been, employed as executive officers of any entity on whose compensation committee any of the Corporation’s executive officers serve or have served.
- e. None of the members accepts, or has accepted at any time while being members of the Audit Committee of the Corporation, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in their capacity as members of the Audit Committee, the Board of Directors, or other Board Committees;
- f. None of the members is an affiliated entity of the Corporation or any of its subsidiary entities.

### 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, 2008 required the approval of the Audit Committee.

### External Auditor Service Fees <sup>(4)</sup>

Fiscal Year End	Audit Fees (\$)	Audit Related Fees <sup>(1)</sup> (\$)	Tax Fees <sup>(2)</sup> (\$)	All Other Fees <sup>(3)</sup> (\$)
2008	147,100	8,944	60,000	1,788
2007	131,446	18,855	74,515	1,284

#### Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.
- (4) The above Fees include Fees billed by the Company's external auditors as well as Fees provided by the external auditors' affiliates with respect to the Company's subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Directors

NI 58-101 defines an "independent" director as a director who has no direct or indirect material relationship with the Company 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, five of whom (Messrs. Shearer, Morris, Lindqvist, Davey and Porteiro) are "independent" within the meaning of NI 58-101. Mr. David Fowler, Chief Executive Officer of the Corporation is the only director of the Corporation who is a member 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. Anthony Shearer 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
Anthony Shearer	Wogen plc (AIM) Abbey Protection plc (AIM) Alba plc (AIM)
William Lindqvist	Plutonic Power Corp. (TSX) Solomon Resources (TSXV) EcuGold Resources Inc. (TSXV)
Roger Davey	Serabi Mining plc (AIM) GoldQuest Mining Corp (TSX) Alexander Mining (AIM)

The Board is responsible to the shareholders for the overall direction and control of the Company 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 Company 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 Company.

#### **Compensation**

The Corporation's executive remuneration program is administered by the Remuneration Committee whose composition and report is disclosed on page 9 herein.

### Other Committees of the 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 Reserves and Resources Committee

The Corporate Governance Committee comprises the four non-executive Directors (chaired by Mr. Shearer). 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 Reserves and Resources Committee comprises two non-executive Directors (chaired by Mr. William Lindqvist). It is responsible for ensuring that reserves and resources are compliant with regulatory requirements, advising the Board about engagement of external consultants as qualified persons and making sure that publicly disclosed reserves and resources information is complete and not misleading or erroneous.

### 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 are functioning effectively.

### ADDITIONAL INFORMATION

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

Uruguay Mineral Exploration Inc.  
Puntas de Santiago 1604  
Montevideo, Uruguay 11,500

Phone: 011-5982-601-6354  
Fax: 011-598-2-600-6232

The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year ended May 31, 2008.

### 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 eight (8).

#### 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 eight (8) 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.**

In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

Information regarding the persons nominated for election as directors, including the number of voting securities of the Corporation over which each exercises control or direction is as follows:

Table 1

Name and Municipality of Residence	Position in the Corporation	Principal Occupation for the Last Five Years	Number of Shares Beneficially Owned <sup>(1) (2)</sup>	Percentage of Common Shares
David Fowler Montevideo, Uruguay	Chief Executive Officer and Chief Financial Officer, Director (Director since October, 2005)	Chief Financial Officer of UME from April 2004 to February, 2007 and from December, 2007 until August 2008 and Chief Executive Officer from May 2006 to present; Chief Financial Officer of Western Metals Limited, Australia from 2001 to 2003	5,100	0.01%
William Lindqvist <sup>(4) (5)</sup> Tiburon, California	Non-Executive Director (since October, 2005)	Independent Consulting Geologist from March 2002 to present; Vice President of Exploration for Homestake Mining Company from 1990 to 1992 and again from 1995 to 2002; He is currently Director of Phitonic Power Corporation, Salomon Resources Limited and EcuGold Resources Inc.	10,000	0.02%
Tony Shearer <sup>(3)(4)</sup> London, England	Non-Executive Chairman (since February, 2002)	Previously Chief Executive Officer of Singer & Friedlander; Deputy Chief Executive, Old Mutual International 1998 to 2001, Chief Executive Mellon Fund Administration 1997 to 1998; presently is Non-Executive Chairman of Abbey Protection plc, of UK Wealth Management, and Caxton FX, and a Non-Executive director of Alba plc and of Wogen Group plc.	543,834	1.12%
Julio C. Porteiro <sup>(3)(4)</sup> Montevideo, Uruguay	Non-Executive Director (since August, 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 comptroller of Crédit Uruguay Bank, a member of Crédit Agricole Group (France).	Nil	Nil
Roger Davey <sup>(4) (5)</sup> London, England	Non-Executive Director (since August, 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 Serabi Mining plc, GoldQuest Mining Corp. and Alexander 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	Nil
John Sadek Montevideo, Uruguay	Vice President Operations (since October 2004)	Before joining UME, John was Mine Superintendent at Minera Yanacocha, Open Pits Manager for Western Mining at Leinster Nickel and Senior Mining Engineer for Minera Alumbrera Argentina.	Nil	Nil
George Schroer Montevideo, Uruguay	Vice President Exploration (since June, 2006)	George was previously Exploration Manager for Bolivar Gold Corp, advanced Projects Manager for AngloGold Exploration Peru S.A. and Chief Geologist for Homestake on the Veladero Project in Argentina.	3,000	0.006
Ignacio Salazar Montevideo, Uruguay	Chief Financial Officer (since September, 2008)	Previously Ignacio was Finance Program Director in Shell International Central Finance from July 2007 until present. From 2002 until 2007 he was Senior Finance Executive in Deutsche Shell & Dansk Shell Hamburg & Copenhagen.	Nil	Nil

**Notes:**

- (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation has been furnished by the respective nominees.
- (2) Mr. Fowler holds 200,000 stock options each exercisable into one (1) Common Share upon the payment of \$4.00 on or before April 28, 2009; 50,000 stock options each exercisable into one (1) Common Share upon the payment of \$4.50 per share on or before September 15, 2010; 200,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.90 per share on or before October 12, 2011 and 200,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.30 per share on or before November 13, 2012. Mr. Shearer respectively holds 50,000 stock options each exercisable into one (1) Common Share upon the payment of \$4.50 per share on or before September 15, 2010. Mr. Lindqvist holds 50,000 stock options each exercisable into one (1) Common Share upon the payment of \$4.62 per share on or before December 10, 2006. Mr. Porteiro holds 50,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.90 per share on or before October 12, 2011. Mr. Davey holds 50,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.15 per share on or before October 9, 2012. Mr. Sadek holds 200,000 stock options each exercisable into one (1) Common Share upon the payment of \$5.40 on or before November 23, 2009; 50,000 stock options each exercisable into one (1) Common Share upon the payment of \$4.50 per share on or before September 15, 2010; 100,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.90 per share on or before October 12, 2011 and 120,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.30 per share on or before November 14, 2012. Mr. Schroer holds 200,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.90 per share on or before October 12, 2011 and 150,000 stock options each exercisable into one (1) Common Shares upon the payment of \$3.30 per share on or before November 14, 2012.
- (3) Members of the Audit Committee.
- (4) Members of the Remuneration and Corporate Governance Committees.
- (5) Members of the Reserves and Resources Committee.

No proposed director or personal holding corporation of a 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 Company) 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 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;
- (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.

To the knowledge of the Company, no director or executive officer of the Company has an existing or potential material conflict of interest with the Company or any of its subsidiaries.

### 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 or until the firm of PricewaterhouseCoopers LLP, Chartered Accountants, is removed from office or resigns as provided by law or by the Corporation's by-laws; and to authorize the directors of the Corporation to fix the remuneration of PricewaterhouseCoopers LLP, Chartered Accountants. PricewaterhouseCoopers LLP, Chartered Accountants, were appointed auditor of the Corporation on October 19, 2005, reappointed on October 12, 2006 and on October 11, 2007.

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.

In order to be effective, an ordinary resolution requires approval by not less than a majority of the votes cast by shareholders, in person or by proxy, in respect of the resolution. Unless otherwise directed, it is management's intention to vote the proxies in favour of the ordinary resolution to approve that the bylaws of the Corporation be approved and ratified.

### 4. 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 URUGUAY MINERAL EXPLORATION 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 Uruguay Mineral Exploration Inc.**

"Signed"

**David Fowler**, Chief Executive Officer

August 27, 2008

## 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**

1. 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.

