

2009

Notice of Annual Meeting and
Management Proxy Circular



RED BACK MINING INC.
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that an annual meeting (the "**Annual Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") in the capital of **RED BACK MINING INC.** (the "**Corporation**") will be held at Suite 2101, 885 West Georgia Street, Vancouver, British Columbia, on Thursday, May 21, 2009 at the hour of 9:00 a.m. (Vancouver time) for the following purposes:

1. To receive the consolidated audited financial statements of the Corporation for the year ended December 31, 2008, together with the report of the auditors thereon;
2. To appoint auditors to hold office until the next annual meeting, at a remuneration to be fixed by the directors of the Corporation;
3. To elect directors to hold office until the next annual meeting of the Corporation;
4. To consider certain amendments to the Corporation's Stock Option Plan as more particularly set out in the attached Management Proxy Circular dated April 15, 2009 (the "Circular");
5. To consider certain stock option grants to insiders of the Corporation as more particularly set out in the attached Circular;
6. To consider amendments to or variations of any matter identified in this Notice of Meeting; and
7. To transact such further and other business as may properly be brought before the Annual Meeting or any adjournment thereof.

Only Shareholders of record as of 5:00 p.m. (Vancouver time) on **April 9, 2009**, the record date for the Annual Meeting, will be entitled to receive notice of the Annual Meeting and to attend and vote at the Annual Meeting or any adjournments or postponements thereof. Accompanying this Notice of Meeting are: (i) the Circular; and (ii) an Instrument of Proxy and Notes thereto. The consolidated audited financial statements of the Corporation for the year ended December 31, 2008 have been provided to Shareholders separately and are available on SEDAR at www.sedar.com. Reference is made to the Circular for details of the matters to be considered at the Annual Meeting.

If you are a *registered shareholder* of the Corporation you may attend the Annual Meeting in person or may be represented by proxy. If you are a registered shareholder of the Corporation and unable to attend the Annual Meeting in person, please complete, sign, date and return the enclosed form of proxy in the addressed envelope enclosed to Proxy Department, Computershare Investor Services Inc. ("**Computershare**"), 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention Proxy Department. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week by following the instructions in the accompanying form of proxy. Duly completed forms of proxy must be received or a vote using the telephone or over the internet must be completed no later than forty-eight hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Annual Meeting, being 9:00 a.m. (Vancouver time) on May 19, 2009, or any adjournments or postponements thereof, unless the chairman of the Annual Meeting elects to exercise his discretion to accept proxies subsequently received.

If you are a *non-registered Shareholder* of the Corporation you should complete and return the voting instruction form or other authorization provided to you by your broker, investment dealer, trust company or other intermediary in accordance with the instructions provided therein. **If you are a non-registered Shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Annual Meeting, either in person or by proxy.**

If you do not vote, or do not instruct your broker, investment dealer, bank, trust company or other intermediary how to vote, you will not be considered to be represented by proxy for the purpose of approving resolutions put forward at the Annual Meeting. The Shares represented by a properly executed proxy will be voted on any ballot that may be conducted at the Annual Meeting in accordance with your instructions and, if you specify a choice with respect to any matter to be acted upon, your Shares shall be voted accordingly. In the absence of instructions, the Shares represented by a properly executed proxy will be voted **FOR** each of the matters referred to in the proxy.

If you have any questions about the procedures required to qualify to vote at the Annual Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at service@computershare.com.

BY ORDER OF THE BOARD

(signed) Richard P. Clark,
President and CEO

Vancouver, British Columbia
April 15, 2009

RED BACK MINING INC.

MANAGEMENT INFORMATION CIRCULAR

PROXY SOLICITATIONS

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of RED BACK MINING INC. (the "Corporation") for use at the annual meeting of Shareholders of the Corporation to be held at 09:00 a.m. (Vancouver time) on Thursday, May 21, 2009, at the time and place and for the purposes set out in the accompanying Notice of Meeting or at any adjournments or postponements thereof (the "Meeting").

It is expected that the solicitation of proxies for the Meeting will be made primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The solicitation of proxies for the Meeting are being made by or on behalf of management of the Corporation, and the cost of soliciting proxies in connection with the meetings will be borne directly by the Corporation.

The Board of Directors (the "Board") of the Corporation has fixed 5:00 p.m. (Vancouver time) on April 9, 2009 as the record date, being the date for the determination of the shareholders of the Corporation (the "Shareholders") entitled to receive notice of and vote at the Meeting. The Board has resolved that duly completed and executed proxies must be received by the Corporation's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1, Attention: Proxy Department, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournments or postponements thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received. Telephone and Internet voting can also be completed by the Shareholders 24 hours a day, 7 days a week at 1-866-732-VOTE (8683) (toll free) and www.investorvote.com.

The information contained in this Circular is given as of April 14, 2009, unless otherwise indicated. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.

REGISTERED SHAREHOLDERS

If you are a registered Shareholder you may vote in person at the Meeting or you may appoint another person to represent you as a proxyholder to vote your securities at the Meeting.

APPOINTMENT AND REVOCATION OF PROXY

Voting of Proxies

Enclosed with this Circular is the Proxy. The shares represented by the accompanying Proxy should be sent to the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 Attention: Proxy Department. Where a choice is specified in the Proxy in respect of any matter to be acted upon, the Proxy will be voted or withheld from voting in accordance with the specification made. In the absence of such specification proxies in favour of management will be voted in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting. The enclosed Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the enclosed Proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint some other person, who need not be a Shareholder to represent him or her at the Meeting**, and may do so by inserting such person's name in the blank space provided in the enclosed applicable Proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed applicable proxy at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 Attention: Proxy Department.

A Shareholder forwarding the applicable Proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the Proxy wishes to confer a discretionary

authority with respect to any item of business, then the space opposite the item is to be left blank. The securities represented by the Proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the proxy.

To be valid, a Proxy must be executed by a Shareholder or by a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A Proxy given pursuant to this solicitation may be revoked at any time prior to its use.

A Shareholder who has given a Proxy may revoke the Proxy by:

- a) completing and signing a Proxy bearing a later date and depositing it at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 Attention: Proxy Department;
- b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 Attention: Proxy Department, or at the head office of the Corporation at Suite 2101, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Attention: Kathy Love, at any time up to and including the last business day preceding the day of the Meeting or any adjournments or postponements thereof or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournments or postponements thereof; or
- c) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such Proxy.

NON-REGISTERED SHAREHOLDER

Voting of Proxies

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "Non-Registered Shareholders" because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of such shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS")) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting of the Corporation, this Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

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

- a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly ADP Investor Communications, Canada) ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered 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 the shares to be represented at the meeting. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-

code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote their securities at the meeting. The voting instructions forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the meeting to have the securities voted; or

- b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 Attention: Proxy Department.

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the securities they beneficially own. Although a Non-Registered Shareholder may not be recognized directly at the applicable meeting for the purposes of voting securities registered in the name of his broker or Intermediary, a Non-Registered Shareholder may attend the applicable meeting as a proxyholder for the Registered Shareholder and vote the securities in that capacity. Should a Non-Registered Shareholder who receives one of the above forms wish to attend the applicable meeting and indirectly vote their securities as proxyholder for the Registered Shareholder at the meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder) the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided and return the same to their broker or Intermediary. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered. If you have any questions respecting the voting of securities held through a broker or Intermediary, please contact that broker or Intermediary promptly for assistance.

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

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors and proposed amendments to the Corporation's stock option plan and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the date of the accompanying Notice of Meeting, the Corporation's authorized capital consists of an unlimited number of common shares ("Shares") without par value of which 228,948,971 Shares are issued and outstanding. All Shares in the capital of the Corporation carry the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding Shares of the Corporation:

Name and Address	Number of Shares	Percentage
CDS & Co. ⁽¹⁾ 25 The Esplanade P.O. Box 1038 Station A Toronto, Ontario M5W 1G5	211,744,954	92.49

(1) The beneficial owners of Shares held by depositories are not known to the directors or executive officers of the Corporation

APPOINTMENT AND REMUNERATION OF AUDITORS

Management of the Corporation intends to nominate PricewaterhouseCoopers LLP, Chartered Accountants, for re-appointment as auditors of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the reappointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the close of the next annual meeting of the Corporation, at a remuneration to be fixed by the Directors of the Corporation. PricewaterhouseCoopers was first appointed auditor of the Corporation on November 9, 2006.

The disclosure required by Form 52-110F1 of Multilateral Instrument 52-110, Audit Committees, including the text of the Audit Committee's charter and the fees paid to the Corporation's external auditor, can be found in the Corporation's Annual Information Form dated March 27, 2009 under the Corporation's profile on the SEDAR website at www.sedar.com.

ELECTION OF DIRECTORS

The Directors of the Corporation are elected each year at the annual meeting of the Corporation and hold office until the close of the next annual meeting or until their successors are elected or appointed. The articles of the Corporation provide that the Corporation will have a minimum of one and a maximum of ten Directors. The by-laws of the Corporation provide that when the articles of the Corporation provide for a minimum and maximum number of Directors, the number of Directors within the range may be determined from time to time by resolution of the Board. The Board has determined that there should be seven Directors.

The following table sets out the name of each person proposed to be nominated for election as a Director, all other positions and offices with the Corporation and any significant affiliate now held by him, if any, his principal occupation or employment, the period or periods of service as a Director of the Corporation and the approximate number of Shares of the Corporation beneficially owned by him directly or indirectly or over which he exercises control or direction:

Name and Province and Country of Residence	Positions with RBI	Security Holding ⁽¹⁾	Principal Occupation within the Preceding Five Years and, if applicable, Term as Director
Richard P. Clark British Columbia, Canada	Director, President and Chief Executive Officer	772,488	<ul style="list-style-type: none"> • President and CEO of the Corporation • Director since June 21, 2000
Lukas H. Lundin ⁽⁵⁾ British Columbia, Canada	Director, Chairman of the Board	50,000	<ul style="list-style-type: none"> • Mining and oil and gas executive • Director since May 29, 2003
Robert F. Chase ⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Director	50,000	<ul style="list-style-type: none"> • Self-employed businessman • Director since August 8, 2005
Brian D. Edgar ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Director	20,000	<ul style="list-style-type: none"> • Self-employed businessman • Director since August 8, 2005
Michael W. Hunt ⁽⁶⁾ Western Australia, Australia	Director	336,020	<ul style="list-style-type: none"> • Partner in Hunt & Humphry, Project Lawyers, Perth, Australia • Director since May 3, 2004
Harry N. Michael ⁽⁴⁾ Western Australia, Australia	Director	Nil ⁽³⁾	<ul style="list-style-type: none"> • Equinox Minerals Limited - Mining engineer • Director since May 3, 2004
George L. Brack British Columbia, Canada	Nominee	Nil	<ul style="list-style-type: none"> • Self-employed businessman since Feb, 2009; Managing Director and Industry Head – Mining at Scotia Capital, a full service investment bank • Nominee

⁽¹⁾ On a non-diluted basis.

⁽²⁾ Mr. Edgar is lead Director for the independent Directors.

⁽³⁾ 83,333 Shares of the Corporation are owned by Mr. Michael's spouse.

⁽⁴⁾ Members of the Audit Committee

⁽⁵⁾ Members of the Compensation Committee

⁽⁶⁾ Members of the Corporate Governance and Nominating Committee

Each of the above nominees, with the exception of Mr. George Brack, was elected to his current term of office by a vote of Shareholders of the Corporation at a meeting the notice of which was accompanied by a management information circular. The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, by the above nominees not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

It is intended that on any ballot that may be called for relating to the election of Directors, the Shares represented by proxies in favour of management nominees will be voted in favour of the election of each of the persons named above as

Directors of the Corporation, unless a Shareholder has specified in its proxy that the shareholder's shares are to be withheld from voting in the election of Directors. Although management does not contemplate that any of the above nominees will be unavailable to stand for election or will decline to serve if elected, in the event of any vacancy among the nominees occasioned by an unexpected occurrence, the proxies given pursuant to this solicitation will be voted in favour of the remaining nominees and for such other substitute nominees as the Board of Directors may designate in such event, unless the Shareholder has specified in the proxy that its Shares are to be withheld from voting in the election of Directors.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as referred to below, to the best of management's knowledge, no proposed Director is, or has been within the last 10 years, a Director, chief executive officer, or chief financial officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the proposed Director ceased to be a Director, chief executive officer, or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No proposed Director is or has been within the last 10 years, a Director or executive officer of any 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.

Mr. Edgar and Mr. Chase are currently and were Directors of New West Energy Services Inc. (formerly "Lexacal Investment Corp.") (TSX-V) when, on September 5, 2006, a cease trade order was issued by the British Columbia Securities Commission for failure to file financial statements within the prescribed time. The default was rectified and the order was rescinded on November 9, 2006.

To the best of management's knowledge, no proposed Director has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The following compensation discussion and analysis describes the Corporation's policies and practices with respect to the compensation of its named executive officers, being its current Chief Executive Officer ("CEO"), its current Chief Financial Officer ("CFO") and the three most highly compensated executive officers other than the CEO and CFO (collectively, the "NEOs").

Overview of Compensation Philosophy

The Corporation's priority is to ensure that remuneration packages are sufficiently attractive to recruit, retain and motivate the kind of high performing individuals who will be instrumental in helping the Corporation to achieve its potential. However, the Corporation also recognises that this has to be balanced with a sense of fairness, with total reward closely linked to the achievement of superior performance at both corporate and individual levels.

The executive pay package is designed to include an appropriate balance of base, bonus and share based remuneration. Remuneration is set within the context of the relevant industrial and geographic norms that the Corporation operates within and at a level which will make the Corporation competitive in its chosen mining and mineral exploration markets.

Recruiting and Retention

The Corporation recognizes that its compensation package has to be sufficient to attract and retain the right level of skill, expertise and talent in an increasingly competitive global market.

The structure of the remuneration package must be well-balanced across the short, medium and longer term elements, so that it is both attractive to the individual and cost effective for the Corporation. This balance is achieved by providing base

pay at a reasonable median level as an anchor which makes the Corporation a realistic prospect for talented candidates. However, the short term incentive (annual bonus) plan allows the Corporation to attract high performers by offering them the opportunity to achieve superior total annual reward through their own delivery of excellence at individual and business levels. Finally, the longer term reward element (stock option grants), which is described in greater detail below, provides the opportunity to build ownership and growth in the medium and longer term future in line with the opportunities for success afforded to the Shareholders.

Aligning Management and Shareholders

There are a number of ways in which the needs and interests of our management and our other stakeholders are aligned. For example, the short term (annual bonus) incentive plan described above gives Shareholders the assurance that the Corporation is paying for results, even on an annual total cash basis. In addition, a significant proportion of the executive pay package is leveraged towards stock options. The Corporation's view is that stock options encourage a longer term focus for management, beyond the more immediate one year cycle of base pay and short term incentive bonus. Stock options also help to ensure that management are subject to exactly the same external market conditions as our Shareholders.

Compensation Committee Mandate

The Corporation's Compensation Committee ("CC") is comprised of Messrs. Robert F. Chase, Lukas H. Lundin and Brian D. Edgar, a majority of whom are independent. During the fiscal year ended December 31, 2008, none of these individuals was an employee of the Corporation or its subsidiaries. Mr. Lundin is Chairman of the Board of the Corporation.

The CC is responsible for recommending to the Board the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve the compensation for the Corporation's other executive officers after considering the recommendations of the Chief Executive Officer, all within the CC's mandate and other compensation policies and guidelines approved by the Board. It is the responsibility of the CC to ensure management compensation is competitive to enable the Corporation to continue to attract individuals of the highest calibre.

The duties and responsibilities of the CC include:

- a) to annually evaluate the performance of the President and Chief Executive Officer of the Corporation;
- b) to annually review the compensation of the President and Chief Executive Officer of the Corporation, including annual, long-term and other compensation;
- c) to annually review the compensation of senior management, other executive officers and key employees of the Corporation, including annual, long-term and other compensation;
- d) to annually review the compensation of directors in light of risks and responsibilities;
- e) to consider the implementation of short and long-term incentive plans proposed by management, to make recommendations to the Board with respect to the same and to annually review such plans after their implementation;
- f) to consider the implementation of pension plans proposed by management, to make recommendations to the Board with respect to the same and to annually review such arrangements after their implementation; and
- g) to annually review any other benefit plans proposed by management and to make recommendations to the Board with respect to their implementation.

The CC does not have a pre-determined, performance-based compensation plan but rather reviews the performance of the executive officers periodically during the year and at the end of each fiscal year. The Corporation's compensation structure is designed to reward performance and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The CC considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Corporation and its Shareholders, overall financial and operating performance of the Corporation and the Board's assessment of each officer's individual performance, contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors. When determining the compensation of the Chief Executive Officer, the CC will assess the performance of the Chief Executive Officer in light of the corporate goals and objectives established by the Board.

The CC believes that the salary and bonus paid to the Chief Executive Officer and each other executive officer during the last fiscal year was commensurate with his position, his experience and salaries paid by comparable companies. In considering comparable companies, the CC considered, among other things, the industry in which the Corporation operates, the competitive landscape for hiring executives within this industry, the public nature of the Corporation, the market capitalization of the Corporation and the responsibilities of the particular executive officer.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is clearly within the remit of the CC, but management has a key role in helping support the committee in fulfilling its obligations. For example, the CEO and other senior members of his leadership team provide a source of external data and analysis. They also provide the CC with the broader context of reward in the wider organisation, to help further inform and support the quality of the decision making process on executive pay.

Whilst not a member of the CC, the CEO provides key input on the performance of other NEOs. However, all discussion which would affect the CEO's own remuneration package, directly or indirectly, is held in camera.

Determining Compensation Levels

In determining compensation levels, CC relies on broad-based compensation surveys specific to the mining sector and prepared by independent consulting firms, supplemented by company specific data and assessments of the seniority and experience of its executive team.

Elements of Compensation

Compensation of the Corporation's NEOs for the fiscal year ended December 31, 2008 was comprised of the following components:

- base salary
- short term incentive (annual cash bonus)
- long-term incentive (in the form of stock option grants)

Base Salary

The Corporation strives to pay its executives in the mid-range for salaries of comparable positions and in comparable companies. It is at times difficult, however, to place full reliance on external surveys because of the years of service and experience of our executive team and the specific circumstances of the Corporation. The most recent salary review was conducted in September 2008 when salaries were adjusted by 25 – 33% to bring them in line with salaries of mining Corporation executives of companies with similar operations and size. In making its annual recommendations, the CC also considered the distinct contributions of each executive, the financial performance and ability to pay of the Corporation and the experience and seniority of each executive.

Annual Cash Bonus

The CC provides recommendations of bonuses for the CEO directly to the Board while it considers recommendations received from the CEO for other NEO's before seeking their ratification from the Board. The CC considers a number of quantitative and qualitative factors in determining the allocation and amount of bonuses to be paid out annually. Bonus determinations are generally based on:

1. the financial performance of the Corporation measured against internal budgets and KPI's;
2. the change in the Corporation's Share price and market capitalization in comparison to the changes experienced by peer companies and by the change in the gold price; and
3. personal achievements and contributions to operations of the Corporation as a result of special projects and individual efforts.

Bonuses were granted in February 2009 by the CC and the Board based on significant milestones achieved by the Corporation in 2008 and early 2009. These achievements included the commencement of operations at the Tasiast project; the doubling of gold production from the previous year; the implementation of two major capital expansion programs due for completion later in 2009 and the financing of the Corporation in difficult market conditions.

Long-Term Incentives

Purpose of Long-Term Incentives

Long term incentive plan ("**LTIP**") awards means "a plan providing compensation intended to motivate performance over a period greater than one financial year". LTIP awards do not include stock option plans or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale. No LTIP awards were made to the NEOs during the most recently completed financial year.

2008 Option Grants

It is the intention of the CC to ensure that this form of compensation rewards management's efforts in attaining long-term increases in value for our Shareholders. Consistent with this approach, in September 2008, the CC and the Board ratified a policy whereby stock options granted to executives have a five year life and vest 1/3rd on the grant date, 1/3rd on the first anniversary of grant and 1/3rd on the second anniversary of grant.

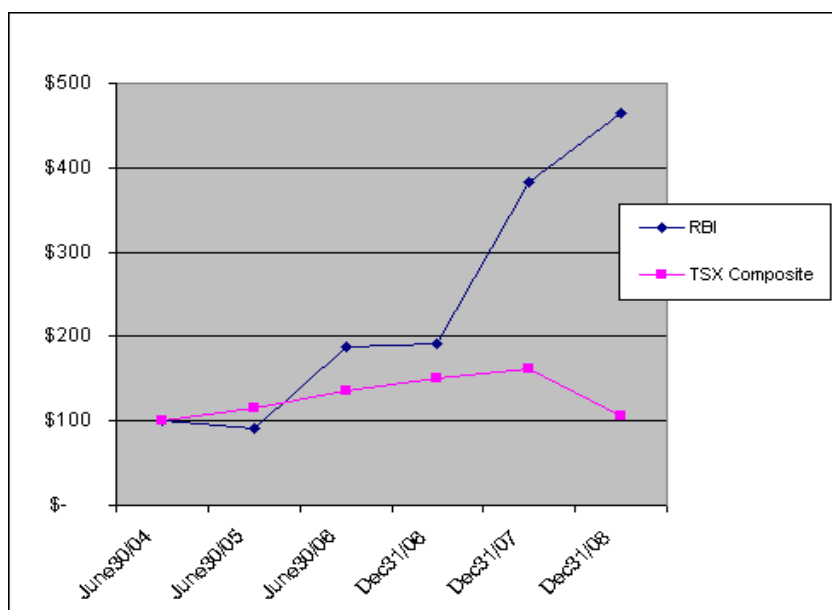
Within the limits of the Corporation's current Stock Option Plan (the "Plan") options granted in 2008 were determined at the discretion of the CC and the Board to ensure that executives continued to have the right incentives to align their efforts with the long term interests of the Shareholders. In arriving at the options grants, the CC considered performance measurements described earlier as well as the number of options held by and expired/matured in the year for each NEO.

Retirement Benefits

The Corporation does not have formal pension plans for its executives. However, from time to time, in order to attract and retain the right level of skill, expertise and talent, the Corporation may structure the overall compensation arrangements of one or more of its executives to include retirement compensation arrangements.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on the Toronto Stock Exchange for CDN\$100 invested in Shares of the Corporation on June 30, 2004 against the cumulative total shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years of the Corporation. The Share performance as set out in the graph does not necessarily indicated future price performance.



(in CDN\$)	June 30, 2004	June 30, 2005	June 30, 2006	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008
Red Back Mining Inc.	100.00	92.00	189.00	192.00	383.00	464.00
TSX Composite Index	100.00	116.00	136.00	151.00	162.00	105.00

Summary Compensation Table

The following table provides information regarding compensation received in or in respect of the financial year ended December 31, 2008 by each of the Corporation's NEOs, who are the following executive officers of the Corporation: (i) the Chief Executive Officer, (ii) the Chief Financial Officer, and (iii) each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers during the fiscal year ended December 31, 2008 and whose total salary and bonus exceeds CDN\$150,000; and (iv) any additional individuals for whom disclosure would have been provided under (iii) but for the fact that the individual was not serving as an executive officer of the Corporation as at December 31, 2008.

Name and principal position	Year	Salary (\$)	Annual Incentive Plan (\$)	Option awards (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Richard Clark President and Chief Executive Officer	2008	398,190	818,300	442,910	Nil	Nil	1,659,400
Alessandro Bitelli Chief Financial Officer	2008	229,725	245,490	221,455	Nil	Nil	696,670
L. Simon Jackson Vice President Corporate Development	2008	245,040	409,150	221,455	Nil	Nil	875,645
Hugh Stuart Vice President Exploration	2008	245,040	245,490	221,455	Nil	Nil	711,985
Kevin Ross Chief Operating Officer	2008	183,474	163,660	221,455	143,396	Nil	711,985

The Corporation's financial statements reporting currency is the US dollar while the Corporation's executives are remunerated in Canadian dollars. The above table reflects the equivalent executive compensation in US dollars, using the average exchange rate for compensation paid in 2008 and the December 31, 2008 exchange rate for compensation payable or accrued at that date.

The value of the stock option grants has been determined using the Black-Scholes models on the date of grant and is consistent with the determinations used for financial statement purposes. The key assumptions used for this determination can be found in the notes to the 2008 consolidated financial statements. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized.

The following table provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2008:

Outstanding Option Awards

Name	Exerciseable (#)	Non-Exercisable (#)	Option Awards		Value of unexercised options CDN(\$) ⁽¹⁾
			Option exercise price CDN (\$)	Option expiration date	
Richard Clark	500,000	133,333	2.67	Feb 14/09	2,960,000
	300,000		4.33	Mar 8/10	1,278,000
	500,000		5.99	Aug 9/10	1,300,000
	100,000		6.25	Nov 22/10	234,000
	66,667		6.95	Sept 25/13	328,000
Richard Clark - Totals	1,466,667	133,333			6,100,000
Alessandro Bitelli	200,000	66,667	5.46	Sept 3/10	626,000
	33,333		6.95	Sept 25/13	164,000
Alessandro Bitelli - Totals	233,333	66,667			790,000
L. Simon Jackson	200,000	66,667	2.67	Feb 14/09	1,184,000
	100,000		4.33	Mar 8/10	426,000
	175,000		5.99	Aug 9/10	455,000
	100,000		6.25	Nov 22/10	234,000
	33,333		6.95	Sept 25/13	164,000
L. Simon Jackson - Totals	608,333	66,667			2,463,000

Name	Exerciseable (#)	Non-Exerciseable (#)	Option Awards		Value of unexercised options CDN\$(⁽¹⁾)
			Option exercise price CDN (\$)	Option expiration date	
Hugh Stuart	50,000		3.95	May 5/09	232,000
	100,000		4.33	Mar 8/10	426,000
	100,000		5.99	Aug 9/10	260,000
	100,000		6.25	Nov 22/10	234,000
	33,333	66,667	6.95	Sept 25/13	164,000
Hugh Stuart - Totals	383,000	66,667			1,316,000
Kevin Ross	250,000		6.25	Nov 22/10	585,000
	33,333	66,667	6.95	Sept 25/13	164,000
Kevin Ross - Totals	283,333	66,667			749,000

⁽¹⁾ Based on the closing price of the Shares of the Corporation of CDN\$8.59 on December 31, 2008.

Options have been granted with progressive vesting periods in prior years. The aggregate dollar values that would have been realized if the options under the option-based award had been exercised on their 2008 vesting date are set out in the table below. The estimated dollar value was calculated as the difference between the market price of the underlying securities at vesting and the exercise price of the options.

	Value of options vested during the year (unrealized, estimated in CDN\$)
Richard Clark	Nil
Alessandro Bitelli	\$37,000
L. Simon Jackson	Nil
Hugh Stuart	Nil
Kevin Ross	Nil

Retirement Benefits

During 2008, the Corporation entered into a defined contribution, retirement compensation arrangement (the "Retirement Plan") with Kevin Ross whereby a portion of his overall compensation is paid into the Retirement Plan. The amount of the contributions to the Retirement Plan are determined by the Corporation with the assistance of an actuary and, in any given year, will not exceed the amount determined by the actuary pursuant to an actuarial certificate taking into consideration the overall compensation of Mr. Ross for the year. The Retirement Plan is administered by an independent trustee and contributions and earnings thereon under the Retirement Plan will be paid to Mr. Ross upon his retirement from employment. The Corporation does not retain any liability for minimum returns or pay-outs under the Retirement Plan.

With respect to compensation paid or earned by Mr. Ross in 2008, the Corporation made Canadian dollar contributions to the Retirement Plan equivalent to US\$143,396.

Termination and Change of Control Benefits

Each of the Corporation's NEOs as of December 31, 2008 is a party to an employment agreement with the Corporation that sets forth certain instances where payments and other obligations arise on the termination of their employment.

The employment agreements for each of Messrs. Clark, Bitelli, Jackson, Stuart and Ross provide for the following payments and benefits following their involuntary termination without just cause:

1. The Corporation has had an agreement with Pettman Management Ltd. ("Pettman") pursuant to which Pettman agreed to provide management services to the Corporation since May 3, 2004 (the "Pettman Agreement"). Pettman is a private company owned by Catherine Clark, the spouse of Mr. Richard P. Clark. Under the terms of the current Pettman Agreement, which has a two year term, the annual management services fee to Pettman was increased to CDN\$500,000 exclusive of bonuses, benefits and other compensation. Under the terms of the Pettman Agreement, if the Pettman Agreement is terminated by the Corporation or if Mr. Clark is terminated as President/CEO by the Corporation for any reason other than cause, or in the event that there is a change of control of the Corporation and Pettman elects to terminate the Pettman Agreement, the Corporation shall pay to Pettman an amount equal to two times the annual management fee.
2. The Corporation originally entered into an Executive Employment and Relocation Agreement with L. Simon Jackson, the Chief Financial Officer of the Corporation dated May 1, 2004 (the "Jackson Agreement"). Under the terms of the current Jackson Agreement, which is effective January 1, 2008 the current annual base salary of Mr.

Jackson is CDN\$300,000 exclusive of bonuses, benefits and other compensation. Under the terms of the Jackson Agreement, which has a two year term, if Mr. Jackson is terminated by the Corporation for any reason other than cause, or in the event that there is a change of control of the Corporation and Mr. Jackson elects to terminate the Jackson Agreement, the Corporation shall pay to Mr. Jackson an amount equal to two times the annual salary.

3. The Corporation originally entered into an Executive Employment and Relocation Agreement with Hugh Stuart, Vice President Exploration of the Corporation dated July 1, 2006 (the "Stuart Agreement"). Under the terms of the current Stuart Agreement, which is effective January 1, 2008, the current annual base salary of Mr. Stuart is CDN\$300,000 exclusive of bonuses, benefits and other compensation. Under the terms of the Stuart Agreement, which has a two year term, if Mr. Stuart is terminated by the Corporation for any reason other than cause, or in the event that there is a change of control of the Corporation and Mr. Stuart elects to terminate the Stuart Agreement, the Corporation shall pay to Mr. Stuart an amount equal to two times the annual salary at such time.
4. On September 5, 2007 the Corporation entered into an Executive Employment with Alessandro Bitelli, the Chief Financial Officer of the Corporation. The current annual base salary of Mr. Bitelli is CDN\$300,000 exclusive of bonuses, benefits and other compensation (the "Bitelli Agreement"). The Bitelli Agreement, which has a two year term, also provides that if Mr. Bitelli is terminated by the Corporation for any reason other than cause during the term of employment the Corporation shall pay to Mr. Bitelli an amount equal to six months salary. If Mr. Bitelli is terminated for any reason other than cause after the initial 2 year term the Corporation shall pay to Mr. Bitelli an amount equal to 12 months salary. In the event that there is a change of control of the Corporation and Mr. Bitelli or the Corporation elects to terminate the Bitelli Agreement within 60 days of the change of control, the Corporation shall pay to Mr. Bitelli an amount equal to two times the annual salary at such time.
5. On October 5, 2007 the Corporation entered into an Executive Employment with Kevin Ross, the Chief Operating Officer of the Corporation. The current annual base salary of Mr. Ross is CDN\$300,000 exclusive of bonuses, benefits and other compensation (the "Ross Agreement"). The Ross Agreement, which has a two year term, also provides that if Mr. Ross is terminated by the Corporation for any reason other than cause during the term of employment the Corporation shall pay to Mr. Ross an amount equal to six months salary. If Mr. Ross is terminated for any reason other than cause after the initial 2 year term the Corporation shall pay to Mr. Ross an amount equal to 12 months salary. In the event that there is a change of control of the Corporation and Mr. Ross or the Corporation elects to terminate the Ross Agreement within 60 days of the change of control, the Corporation shall pay to Mr. Ross an amount equal to two times the annual salary at such time.

Payments on Termination

The following table provides details regarding the estimated incremental payments from the Corporation of the NEOs assuming termination on December 31, 2008.

Name	Severance (Base Salary) \$(CDN) ⁽¹⁾	Severance (Value of Benefits) \$(CDN) ⁽²⁾	Total \$(CDN)
Richard Clark	1,000,000	218,667	1,218,667
Alessandro Bitelli	600,000	109,333	709,333
L. Simon Jackson	600,000	109,333	709,333
Hugh Stuart	600,000	109,333	709,333
Kevin Ross	600,000	109,333	709,333

(1) Based on 24 months' salary, as set out in the individual employment contract.

(2) Value of vested options that would be realized upon a change of control.

COMPENSATION OF DIRECTORS

Directors' remuneration is adjusted periodically to provide competitive compensation for services provided as a Director. Current remuneration for each Director on an annual basis is as follows:

Board Member	CDN\$50,000
Chair of Board	CDN\$10,000
Lead Director	CDN\$10,000
Chair of Audit Committee	CDN\$12,000
Chair of other Committee	CDN\$6,000

Annual retainers are paid quarterly in arrears.

A Director who is an employee of the Corporation does not receive Director's fees. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings of the Board of committee meetings or otherwise on Corporation business.

Compensation for Services

Namdo Management Services Ltd. ("Namdo"), a private corporation owned by Mr. Lukas H. Lundin, Chairman and a director of the Corporation, was paid or accrued the sum of CDN\$470,000 during the fiscal year ended December 31, 2008, plus reimbursement of out-of-pocket expenses at cost. Namdo has approximately 12 employees and provides administrative and, in some cases, financial services to a number of public companies in exchange for management fees in varying amounts. Mr. Lundin is paid compensation by Namdo; however, there is no basis for allocating the amounts paid by Namdo to Mr. Lundin as he is not receiving such compensation primarily in respect of his personal services provided to the Corporation.

During the last completed financial year the law firm of Hunt & Humphry, of which Mr. Michael Hunt, a Director of the Corporation, is a partner, was paid/accrued CDN\$11,000 for legal services rendered as Australian counsel for the Corporation.

No other director was compensated either directly or indirectly by the Corporation or its subsidiaries during the most recently completed financial year for services as consultants or experts.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended December 31, 2008.

Name	Fees earned (\$)	Option awards (\$)	Total (\$)
Lukas H. Lundin	36,756	110,727	147,483
Robert F. Chase	45,332	110,727	156,059
Brian D. Edgar	50,845	110,727	161,572
Michael W. Hunt	36,756	110,727	147,483
Harry N. Michael	30,630	110,727	141,357

The Corporation's financial statements reporting currency is the US dollar while the Corporation's directors are remunerated in Canadian dollars. The above table reflects the equivalent director compensation in US dollars, using the average exchange rate for compensation paid in 2008 and the December 31, 2008 exchange rate for compensation payable at that date.

The value of the stock option grants has been determined using the Black-Scholes models on the date of grant and is consistent with the determinations used for financial statement purposes. The key assumptions used for this determination can be found in the notes to the 2008 consolidated financial statements. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized.

The following table provides information regarding the stock option awards for each director that are outstanding as at December 31, 2008.

Name	Exerciseable (#)	Option Awards		Value of unexercised options CDN (\$) ⁽¹⁾
		Option exercise price CDN (\$)	Option expiration date	
Lukas H. Lundin	130,000	6.45	July 16/10	278,200
	100,000	6.25	Nov 22/10	234,000
	500,000	6.95	Sep 25/10	82,000
				594,200
Robert F. Chase	130,000	6.45	July 16/10	278,200
	100,000	6.25	Nov 22/10	234,000
	50,000	6.95	Sep 25/10	82,000
				594,200
Brian D. Edgar	130,000	6.45	July 16/10	278,200
	100,000	6.25	Nov 22/10	234,000
	50,000	6.95	Sep 25/10	82,000

Name	Exerciseable (#)	Option Awards		Value of unexercised options CDN (\$) ⁽¹⁾
		Option exercise price CDN (\$)	Option expiration date	
				594,200
Michael W. Hunt	130,000	6.45	July 16/10	278,200
	100,000	6.25	Nov 22/10	234,000
	50,000	6.95	Sep 25/10	82,000
				594,200
Harry N. Michael	130,000	6.45	July 16/10	278,200
	100,000	6.25	Nov 22/10	234,000
	50,000	6.95	Sep 25/10	82,000
				594,200

⁽¹⁾ Based on the closing price of the Shares of the Corporation of CDN \$8.59 on December 31, 2008.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The Corporation's Stock Option Plan (the "Plan"), described below, has been approved by Shareholders and is the only compensation plan under which equity securities of the Corporation are authorized for issuance.

The information in the following table is as of the fiscal year ended December 31, 2008:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (CDN\$) (b)	Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by securityholders	7,379,000	\$5.84	983,333
Equity Compensation Plans not approved by securityholders	N/A	N/A	N/A
Total	7,379,000	\$5.84	983,333

Notes:

(1) During the fiscal year ended December 31, 2008 the Corporation granted options to purchase a total of 1,340,000 Shares.

(2) During the fiscal year ended December 31, 2008 the Corporation issued a total of 1,131,000 Shares pursuant to the Plan.

Incentive Stock Option Plan

The Plan governing the issuance of stock options was established on March 15, 2004 (and amended as approved by the Shareholders on June 27, 2007). The Plan complies with the rules set forth for such plans by the Toronto Stock Exchange ("TSX" or the "Exchange").

The major features of the Plan as it currently exists can be summarized as follows:

The Board, or a committee appointed for such purposes, may from time to time grant to Directors, officers, eligible employees of, or consultants to, the Corporation or its subsidiaries, or to employees of management companies providing services to the Corporation (collectively, "Eligible Persons") options to acquire Shares in such numbers, for such terms and at such exercise prices as may be determined by the Board or such committee. The purpose of the Plan is to advance the interests of the Corporation by providing Eligible Persons with a financial incentive for the continued improvement of the Corporation's performance and encouragement to stay with the Corporation. The Board, or a committee appointed for such purposes, also has the authority under the Plan to determine other terms and conditions relating to the grant of Options, including any applicable vesting provisions.

The maximum number of Shares that are issuable for all purposes under the Plan is 12,000,000 Shares which represents 5.24% of the issued and outstanding Shares, or such additional amount as the Corporation's Shareholders may approve from time to time. Any Shares subject to a stock option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the Plan.

The maximum number of Shares that may be reserved for issuance to insiders of the Corporation under the Plan and under any other share compensation arrangement is limited to 10% of the Shares outstanding at the time of grant (on a non-diluted basis). The maximum number of Shares that may be issued pursuant to this Plan or any other Share

Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares outstanding from time to time.

The Board may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of shareholders or any governmental or regulative body. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the Plan without seeking Shareholder approval:

- (a) amendments of a "housekeeping" or ministerial nature including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including without limitation, the rules, regulations and policies of the Exchange);
- (c) amendments respecting administration of the Plan;
- (d) any amendment to the vesting provisions of the Plan or any stock option;
- (e) any amendment to the early termination provisions of the Plan or any stock option, whether or not such stock option is held by an Insider, provided that such amendment does not entail an extension beyond the original expiry date;
- (f) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of participants of Shares under the Plan, and the subsequent amendment of any such provision which is more favourable to participants;
- (g) the addition or modification of a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying Shares from the Plan reserve;
- (h) amendments necessary to suspend or terminate the Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law (including without limitation, the rules, regulations and policies of the Exchange).

Shareholder approval will be required for the following types of amendments:

- (i) amendments to the number of Shares which may be issued under the Plan, including an increase to a fixed maximum number of Shares or a change from a fixed maximum number of Shares to a fixed maximum percentage;
- (ii) any amendment which reduces the exercise price of an Option (the Exchange does not permit the exercise price to be below the market price);
- (iii) any amendment extending the term of a stock option held by an Insider beyond its original expiry date except as otherwise permitted by the Plan;
- (iv) the adoption of any option exchange scheme involving stock options; and
- (v) amendments required to be approved by shareholders under applicable law (including without limitation, the rules, regulations and policies of the Exchange).

The Board has the authority under the Plan to establish the option price at the time each stock option is granted. The option price may not be lower than the market price, i.e. the closing price, of the Shares as traded on the Exchange on the last business day proceeding the date on which the option is approved by the Board. The Board, or a committee appointed for such purposes, also has the authority under the Plan to determine other terms and conditions relating to the grant of Options, including any applicable vesting provisions.

The term of Options granted under the Plan shall not exceed 10 years from the date of grant, and all options granted under the Plan are not transferable other than by will or the laws of dissent and distribution. If an optionee ceases to be an Eligible Person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable 30 days following the termination date (being the date on which such optionee ceases to be an Eligible Person). If the expiry date of any vested Option falls on, or within nine trading days immediately following a date upon which any Optionee is prohibited from exercising such Option due to a black-out period or other trading restriction imposed by the Corporation, then the expiry date (and the Option Period) of such Option shall be automatically extended to the tenth trading day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date.

The Corporation does not provide any financial assistance to participants in order to facilitate the purchase of Shares under the Plan. As at April 15, 2009 there were options outstanding under the Plan to acquire 8,021,000 Shares, representing 3.5% of the Corporation's issued and outstanding Shares.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has purchased and maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of CDN\$25 Million, against liabilities incurred by such persons as directors and officers of the Corporation and its subsidiaries, except where the liability relates to such person's failure to act honestly and in good

faith with a view to the best interests of the Corporation. The annual premium paid by the Corporation for this insurance in respect of the directors and officers as a group is CDN\$112,000. No premium for this insurance is paid by the individual directors and officers. The insurance contract underlying this insurance does not expose the Corporation to any liability in addition to the payment of the required premium.

STATEMENT OF CORPORATE GOVERNANCE PRACTICE
(presented by the Corporate Governance and Nominating Committee)

This statement of corporate governance practices is made with reference to National Policy 58-201, Corporate Governance Guidelines and National Instrument 58-101, Disclosure of Corporate Governance Practices (hereinafter collectively the "Governance Guidelines") which are initiatives of the Canadian Securities Administrators ("CSA").

Major securities regulatory changes in the United States affecting the Corporation have come into effect over the last several years. Many of these changes arise from SOX and subsequent rules and regulations issued by the United States Securities and Exchange Commission. The Corporate Governance and Nominating Committee has closely monitored the various changes and proposed changes in the regulatory environment and, where applicable, amended its governance practices to align with these changes that are currently in effect.

Board Governance

The Board of Directors has the responsibility for the overall stewardship of the conduct of the business of the Corporation and the activities of management. Management is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board considers the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, sets the standards of conduct for the Corporation.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair and Lead Director, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles and By-Laws of the Corporation and the *Canada Business Corporations Act*, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

Board Mandate

The Board has a written mandate which includes responsibility for (i) satisfying itself as to the integrity of the CEO and other executive officers and that there is a culture of integrity throughout the Corporation; (ii) approving, supervising and providing guidance to management on the Corporation's strategic planning process; (iii) identifying the principal risks of the Corporation's business and ensuring management's implementation and assessment of appropriate risk management systems; (iv) ensuring that the Corporation has highly qualified management and adequate and effective succession plans for senior management; (v) overseeing the Corporation's communications policy with its shareholders and with the public generally; (vi) assessing directly and through its Audit Committee, the integrity of the Corporation's internal control and management information systems; and (vii) providing for the independent functioning of the Board.

The full text of the mandate is attached hereto as Appendix "A"

Composition of the Board

The Board of Directors is currently comprised of six (6) directors, the majority of whom are "independent" directors within the meaning of the Governance Guidelines. A director is "independent" if he is independent of management and has no direct or indirect relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the member's independent judgment.

The Board has considered the relationship of each director to the Corporation. At the date of this Information Circular, two of the Corporation's directors were not considered to be independent. Messrs. Lundin and Clark were not independent because of their current or past management positions with the Corporation. Messrs. Hunt, Michael, Edgar and Chase are all independent directors. Michael Hunt periodically provides legal services to the Corporation, but is considered to be independent because of the size of his fees for such services relative to the overall fee income of his practice.

Although neither of Messrs. Lundin or Clark are considered to be independent within the meaning of the Governance Guidelines, the Board has instituted a practice, however, whereby at the conclusion of each regularly scheduled meeting of the Board of Directors, the Corporation's independent directors may request an in-camera session at which non-independent directors and members of management are not in attendance. In addition, because Lukas H. Lundin, who is Chairman of the Board of Directors, is not an independent director, the Board appointed Brian D. Edgar as Lead Director of the Board of Directors. As Lead Director Mr. Edgar, amongst other things, presides at meetings of the Board and of the Corporation's Shareholders, ensures that the Board is alert to its obligations and responsibilities and that it fully discharges its duties, communicates with the Board to keep the Board up to date on all major developments, and acts as a liaison between the Board and management of the Corporation.

BOARD AND COMMITTEE MEETINGS – ATTENDANCE RECORD

Below is the attendance record of each director for all Board and Committee meetings held during the period from January 1, 2008 to December 31, 2008:

Director	Board Committees							
	Board (8 meetings)		Audit (4 meetings)		Compensation (2 meetings) ⁽¹⁾		Corporate Governance (3 meeting)	
	No.	%	No.	%	No.	%	No.	%
Richard P. Clark	8	100	n/a	n/a	n/a	n/a	n/a	n/a
Lukas H. Lundin	7	88	n/a	n/a	2	100	n/a	n/a
Robert F. Chase	7	88	4	100	1	100	3	100
Brian D. Edgar	7	88	4	100	1	100	3	100
Michael W. Hunt	6	75	n/a	n/a	1	100	2	67
Harry N. Michael	7	88	2	50	n/a	n/a	n/a	n/a

(1) Mr. Michael Hunt resigned from the Compensation Committee on August 28, 2008 and Mr. Robert Chase was appointed to the Compensation Committee on August 28, 2008. Each of Messrs. Hunt and Chase attended the one Compensation Committee Meeting held during their term.

Several of the directors of the Corporation serve as directors of other reporting issuers. Currently, the following directors serve on the boards of directors of other public companies as listed below:

Director	Public Company Board Membership
Richard P. Clark	Atacama Minerals Corp. (TSX-V); Corriente Resources Inc. (TSX/AMEX); Fortuna Silver Mines Inc. (TSX-V); Sanu Resources Ltd. (TSX-V);
Lukas H. Lundin	Atacama Minerals Corp. (TSX-V), Canadian Gold Hunter Corp. (TSX), Fortress Minerals Corp. (TSX-V), Pearl Exploration and Production Ltd. (TSX-V), Lucara Diamond Corp. (CNQ), Denison Mines Corp. (TSX-AMEX); Lundin Mining Corporation (TSX/SSX), Lundin Petroleum AB (OMX-Nordic), Suramina Resources Inc. (TSX); Vostok Nafta Investment Ltd. (OMX-Nordic)
Robert F. Chase	Dome Ventures Corporation (TSX-V); Hudson Resources Inc. (TSX-V); New West Energy Services Inc. (TSX-V); Pacific Northern Gas Ltd. (TSX); Pender Financial Group Corporation (TSX-V); Western Canadian Coal Corp. (TSX);
Brian D. Edgar	Bayou Bend Petroleum Ltd (TSX-V), Denison Mines Corp. (TSX); Dome Ventures Corporation (TSX-V), New West Energy Services Inc. (TSX-V), Lundin Mining Corporation (TSX/OMX-Nordic); Pearl Exploration and Production Ltd. (TSX-V); Lucara Diamond Corp. (CNQ); New West Energy Services Inc. (TSX-V)
Michael W. Hunt	A1 Minerals Limited (ASX); International Resource Holdings Limited (ASX)
Harry N. Michael	Equinox Minerals Limited (TSX/ASX)

Legend:

AMEX = American Stock and Options Exchange
ASX= Australian Stock Exchange
CNQ= Canadian Trading and Quotation System Inc.
TSX = Toronto Stock Exchange
TSX-V= TSX Venture Exchange
OMX-Nordic = OMX Nordic Stock Exchange (previously, the Stockholm Stock Exchange)

Position Descriptions

The Board has adopted a written position description for each of the Chairman, Lead Director, Chief Executive Officer, Chief Financial Officer and the chair of each Board committee.

Orientation and Education

The Corporation provides new directors with an orientation program upon joining the Corporation that includes copies of relevant financial, technical, geological and other information regarding its properties and subsidiaries as well as meetings with management.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Board members have full access to the Corporation's records.

Board Diversity

The Corporation recognizes that improving diversity on the Board of Directors and among its senior executives presents the Corporation with an opportunity to develop a competitive advantage by ensuring that the Corporation appeals to potential employees from the broadest possible talent pool. The focus always has been, and will continue to be, to recruit and appoint the most qualified individuals.

Ethical Business Conduct

The Board has adopted a formal written Code of Conduct and Ethical Values Policy (the "Code of Conduct") for its directors, officers and employees.

Individuals governed by the Code of Conduct are required to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties. Individuals must avoid all situations in which their personal interests conflict or might conflict with their duties to the Corporation or with the economic interest of the Corporation. All business transactions with individuals, corporations or other entities that could potentially, directly or indirectly, be considered to be a related party, must be approved by the Board of Directors regardless of the amount involved.

Directors, officers and employees are encouraged to report violations of the Code of Conduct on a confidential and, if preferred, anonymous basis, in accordance with the complaints procedure set out in the Code of Conduct or the Corporation's whistleblower procedures. The Audit Committee may request special treatment for any complaint, including the involvement of the Corporation's external auditors or outside counsel or other advisors. All complaints are required to be documented in writing by the person(s) designated to investigate the complaint, who shall report forthwith to the Chair of the Audit Committee. On an annual basis, or otherwise upon request from the Board of Directors, the Code requires the Chair of the Audit Committee to prepare a written report to the Board summarizing all complaints received during the previous year, all outstanding unresolved complaints, how such complaints are being handled, the results of any investigations and any corrective actions taken.

A copy of the Corporation's Code of Conduct and Ethical Values Policy is available on the Corporation's website and has been filed on and is accessible under the Corporation's profile on the SEDAR website at www.sedar.com.

Nomination of Directors

The Board has established a Corporate Governance and Nominating Committee, which has the responsibility of proposing nominees for director. The Committee considers the competencies and skills that the Board as a whole should possess, the competencies and skills of existing Board members and the competencies and skills of proposed new Board members. The Committee members utilize their extensive knowledge of the industry and personal contacts to identify potential nominees that possess the desired skills and competencies.

Audit Committee

The principal purpose of the Audit Committee is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts on financial and tax related matters.

The Corporation has adopted a formal written mandate for the Audit Committee. The mandate provides that the committee shall consist of at least three members of the Board, all of whom shall be "independent" within the meaning of Multilateral Instrument 52-110 *Audit Committees*, (now, National Instrument 52-110 *Audit Committees*) ("NI 52-110"). NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect relationship with the issuer, which could, in the view of the issuer's Board of directors, reasonably interfere with the exercise of the member's independent judgment. During the most recently completed financial year, the committee was composed of three (3) directors: Messrs. Robert Chase, Brian Edgar and Harry Michael, all of whom are and were independent.

The Audit Committee meets a minimum of four times a year, including to review the annual financial statements prior to their submission to the Board. The Audit Committee has direct communication channels with internal personnel responsible for financial statement preparation and with the Corporation's external auditors. The committee may also engage independent counsel or other advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Additional information relating to the Audit Committee, including a copy of the Audit Committee mandate, is provided in the Corporation's Annual Information Form for the year ended December 31, 2008, a copy of which may be obtained under the Corporation's profile on the SEDAR website at www.sedar.com.

Compensation Committee

The principal purpose of the Compensation Committee is to implement and oversee compensation policies approved by the Board of Directors of the Corporation. The duties and responsibilities of the committee include, without limitation, the following:

- (a) to recommend to the Board compensation policies and guidelines for application to the Corporation;
- (b) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and, in light of those goals and objectives, to recommend to the Board the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve compensation for all other designated officers of the Corporation, after considering the recommendations of the Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Board.

The Corporation has adopted a formal written mandate for the Compensation Committee. The mandate provides that the committee shall consist of at least three members of the Board, a majority of whom shall be "independent" within the meaning of the Governance Guidelines. During the most completed financial year, the committee members were Messrs. Lukas H. Lundin, Brian Edgar and Robert Chase, all of whom, with the exception of Mr. Lundin, are and were independent. Because Mr. Lundin, who is Chairman of the Board of Directors, is not an independent director, he abstains from any discussions or voting in respect of matters that have a direct impact on him, including decisions relating to the compensation he receives as Chairman of the Board of Directors.

The Board appoints the members of the committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the Corporation's Shareholders. The Board may at any time remove or replace any member of the committee and may fill any vacancy in the committee.

The Compensation Committee meets regularly each year on such dates and at such locations as the Chair of the committee determines. The committee has access to such officers and employees of the Corporation and to such information respecting the Corporation and may engage independent counsel or advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Corporate Governance and Nominating Committee

The principal purpose of the Corporate Governance and Nominating Committee is to provide a focus on corporate governance that will enhance corporate performance, and to ensure on behalf of the Board of Directors and Shareholders that the Corporation's corporate governance system is effective in the discharge of its obligations to the Corporation's stakeholders. The duties and responsibilities of the Corporate Governance and Nominating Committee include, without limitation, the following:

- (a) to develop and monitor the Corporation's overall approach to corporate governance issues and, subject to approval by the Board, to implement and administer a system of corporate governance which reflects superior standards of corporate governance practices;
- (b) to report annually to the Corporation's Shareholders, through the Corporation's annual management proxy circular or annual report to shareholders, on the Corporation's system of corporate governance and the operation of its system of governance;

- (c) to analyze and report annually to the Board the relationship of each director to the Corporation as to whether such director is a related director or an unrelated director; and
- (d) to advise the Board or any of the committees of the Board of any corporate governance issues which the Corporate Governance and Nominating Committee determines ought to be considered by the Board or any such committee.

The Corporation has adopted a formal written mandate for the Corporate Governance and Nominating Committee. The mandate provides that the committee shall consist of at least three members of the Board, all of whom shall be "independent" within the meaning of NI 58-101. During the most completed financial year, the committee members were Messrs. Michael Hunt, Brian Edgar and Robert Chase, all of whom are and were independent.

The Board appoints the members of the committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the Shareholders of the Corporation. The Board may at any time remove or replace any member of the committee and may fill any vacancy in the committee.

The Corporate Governance and Nominating Committee meets regularly each year on such dates and at such locations as the Chair of the committee determines. The committee has access to such officers and employees of the Corporation and to such information respecting the Corporation and may engage independent counsel and advisors at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Assessment of the Board

In accordance with the Board's mandate, the Board, through its Corporate Governance and Nominating Committee, undertakes assessments of itself, its committees and each individual director's effectiveness and contribution on an annual basis.

The Corporate Governance and Nominating Committee prepares and delivers an Annual Board Effective Assessment Questionnaire to each member of the Board. The Questionnaire is divided into four parts dealing with: (i) Board Responsibility; (ii) Board Operations; (iii) Board Effectiveness; and (iv) Individual Assessments. The Corporate Governance and Nominating Committee reviews and considers the responses received and makes a final report, with recommendations (if any) to the Corporation's Board of Directors.

Minimum Share Ownership

On the recommendation of the Compensation Committee the Board developed a minimum requirement with respect to ownership of securities of the Corporation by Directors. Each Director (personally or through a family member or related corporation) is expected to acquire and hold Shares totaling not less than 15,000 Shares of the Corporation and any new Board members have a grace period of three months to acquire the Shares. All current directors are in compliance with this requirement.

MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by directors, executive officers or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the Corporation's knowledge, none of the directors, officers or principal Shareholders of the Corporation, and no associate or affiliate of any of them, has or has had any material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation or any of its subsidiaries other than as disclosed herein.

PARTICULARS OF OTHER BUSINESS TO BE ACTED UPON

Amendment to Stock Option Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve a resolution to amend the terms of the Corporation's current Plan to increase the maximum number of Shares that may be issued upon the exercise of options granted pursuant to the Plan. The terms of the current Plan are summarized under the heading "Securities Authorized for Issuance under Equity Compensation Plan – Incentive Stock Option Plan". A copy of the Plan, as amended as described below, is attached as Appendix "B" to this Circular. The proposed amendment has been pre-cleared by the TSX.

Shareholders will be asked to consider an amendment to the Plan to increase the maximum number of Shares that may be issuable under the Plan from 12,000,000 to 18,000,000 Shares. Should the proposed increase to the Plan be approved by the Shareholders a total of 5,416,834 Shares (representing 2.3% of Issued and Outstanding Capital) would be available for future issuance under the Plan, excluding the options listed below under "Approval of Certain Option Grants. The 18,000,000 Shares represents 7.9% of the issued and outstanding Shares.

Stock option grants are a critical element of the Corporation's compensation program and enable the Corporation to attract and retain talented people in a competitive global environment. If the Corporation is not successful in attracting and retaining experienced and talented individuals, its ability to execute strategy, drive financial results and increase shareholder value may be adversely affected. In light of the above, the Board has proposed the amendment to the Plan to increase the maximum number of Shares reserved for issuance under the Plan. Management of the Corporation believes that the proposed increase is within a competitive range in the Corporation's industry.

Notwithstanding any increase to the maximum number of Shares issuable under the terms of the Plan: (i) the maximum number of Shares which may be issued to insiders at any time under the Plan or under any other share compensation arrangement taken together shall not exceed 10% of the Shares outstanding at the date of the grant (on a non-diluted basis); and (ii) the maximum number of Shares which may be issued to insiders within any one year period under the Plan or under any other share compensation arrangement taken together shall not exceed 10% of the Shares outstanding at the date of the grant (on a non-diluted basis).

The text of the ordinary resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting. This resolution requires the approval of a majority of the vote cast thereon, in person or by proxy, at the Meeting.

"NOW THEREFORE BE IT RESOLVED THAT:

1. The maximum number of common shares that may be issuable under the Corporation's Stock Option Plan be and is hereby increased from 12,000,000 common shares to 18,000,000 common shares.
2. The Corporation's Stock Option Plan be and is hereby amended as set forth in the Corporation's Management Proxy Circular dated April 15, 2009.
3. Any Director or officer of the Corporation is hereby authorized and directed, on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents, instruments and assurances, and to do or cause to be done all acts and things, as in the opinion of such Director or officer of the Corporation may be necessary or desirable to carry out the intent of the foregoing resolution."

Approval of Certain Stock Option Grants

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the grant of certain stock options (the "Stock Options") to certain insiders of the Corporation (the "Interested Shareholders") as set out below. At the time such Stock Options were granted, the Corporation had already granted stock options for the maximum number of Shares permitted to be issued under the Plan. As a result, the grant of the Stock Options must be approved by the Shareholders before the Interested Shareholders are able to exercise the Stock Options.

The Stock Option grants to be approved are as follows:

Date of Grant	Number of Options	Exercise Price	Grantee	Expiry Date
February 10, 2009	500,000	\$6.81	Directors	February 9, 2014
February 10, 2009	525,000	\$6.81	Officers	February 9, 2014
February 10, 2009	70,000	\$6.81	Employees	February 9, 2014
March 12, 2009	200,000	\$6.70	Employees	April 1, 2011

In order to approve the grant of the Stock Options, an ordinary resolution of the Shareholders must be passed at the Meeting. The text of the resolution to be submitted to the Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting. This resolution requires the approval of a majority of the vote cast thereon, in person or by proxy, by the Shareholders at the Meeting.

"NOW THEREFORE BE IT RESOLVED THAT:

1. The following stock option grants are hereby approved, confirmed and ratified:

Date of Grant	Number of Options	Exercise Price	Grantee	Expiry Date
February 10, 2009	500,000	\$6.81	Directors	February 9, 2014
February 10, 2009	525,000	\$6.81	Officers	February 9, 2014
February 10, 2009	70,000	\$6.81	Employees	February 9, 2014
March 12, 2009	200,000	\$6.70	Employees	April 1, 2011

2. Any Director or officer of the Corporation is hereby authorized and directed, on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents, instruments and assurances, and to do or cause to be done all acts and things, as in the opinion of such Director or officer of the Corporation may be necessary or desirable to carry out the intent of the foregoing resolution.”

OTHER MATTERS

Management of the Corporation are not aware of any other matter to come before the Meeting other than as set out in the Notice of Meeting. If any other matter properly comes before the Meeting, or any adjournment thereof, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the SEDAR website under the Corporation’s profile at www.sedar.com. The Corporation will provide, without charge to a security holder, a copy of the Corporation’s latest Annual Information Form and any documents incorporated therein by reference, its 2008 Annual Report to shareholders containing the comparative financial statements for 2008 together with the auditors report thereon and management’s discussion and analysis, interim financial statements for subsequent periods, and this management proxy circular upon request to the Corporate Secretary of the Corporation, Suite 2101, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. If you wish, this information may also be accessed on the Corporation’s website (www.redbackmining.com).

CERTIFICATE

The contents and the distribution of this Management Information Circular have been approved by the Board of Directors of the Corporation.

DATED this 15th day of April, 2009

BY ORDER OF THE BOARD

(signed) **Richard P. Clark**
President and CEO



APPENDIX A

RED BACK MINING INC. (the "Corporation")

MANDATE FOR THE BOARD OF DIRECTORS (as reviewed and approved by the Board on October 19, 2005)

The directors of the Corporation are elected by the shareholders and are responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to oversee that the long-term operational and financial goals and organizational structure enhance and preserve the business of the Corporation and the underlying value of the Corporation.

DUTIES OF DIRECTORS

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following categories:

Appointment of Management

1. The Board is responsible for approving the appointment of the Chief Executive Officer and other senior officers of the Corporation. The Compensation Committee is responsible for approving the compensation of the Chief Executive Officer and the other executive officers, senior management and key personnel of the Corporation.
2. The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
3. The Board oversees that succession planning programs are in place, including the appointment and monitoring of senior management. The Board is responsible for approving succession plans for the Chief Executive Officer and the other officers of the Corporation.

Board Organization

4. The Board will respond to recommendations received from the Corporate Governance and Nominating Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee appointments and committee mandates.
5. The Board may delegate to Board committees matters the Board is responsible for, including the approval of compensation matters relating to the Board, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

6. The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing and approving the business objectives and goals of the Corporation.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals.
8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

Monitoring of Financial Performance and Other Financial Reporting Matters

10. The Board is responsible for enhancing congruence between shareholder expectations, corporate objectives and management performance.

11. The Board is responsible for:

- (a) monitoring the Corporation's progress toward its strategic and operational goals, and to revise its direction to management in light of changing circumstances affecting the Corporation; and
- (b) taking action when Corporation performance falls short of its goals, or when other special circumstances warrant.

12. The Board is responsible for reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and Management's Discussion and Analysis accompanying such financial statements, as well as the Corporation's Annual Information Form and Management Information Circular.

13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets and material expenditures.

Risk Management

14. The Board is responsible for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.

Environmental Oversight

15. The Board is responsible for ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws.

Policies and Procedures

16. The Board is responsible for:

- (a) approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated; and
- (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.

17. The Board shall enforce its policy respecting confidential treatment of the Corporation's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

18. The Board will review from time to time as circumstances warrant the Corporation's corporate disclosure procedures to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Corporation is conducted.

19. The Board is responsible for:

- (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- (b) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
- (c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (d) reporting annually to shareholders on its stewardship for the preceding year; and
- (e) overseeing the Corporation's implementation of systems to accommodate feedback from shareholders.

APPENDIX B

RED BACK MINING INC. (THE "COMPANY")

INCENTIVE STOCK OPTION PLAN

ARTICLE I INTRODUCTION

1.1 Purpose of Plan

The purpose of the Plan is to secure for the Company and its shareholders the benefits of incentive inherent in the share ownership by the directors, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company.

1.2 Definitions

- (a) "Affiliate" means with respect to a company, a second company that is a parent or subsidiary of the first company or that is controlled by the same company or individual as the first company.
- (b) "Associate" has the meaning ascribed thereto in the Securities Act.
- (c) "Change of Control" includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or
 - (ii) any combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor, where such person or combination of persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or its successor is deemed to materially affect control of the Company or its successor.
- (d) "Board" means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (e) "Company" means Red Back Mining Inc., a company duly incorporated under the laws of Canada.
- (f) "Consultant" means, in relation to the Company, an individual or a consultant company, other than an Employee or a Director of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the consultant companies;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and

- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (g) "Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (h) "Director" means a director of the Company or any of its Subsidiaries.
- (i) "Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by Optionees or their Associates.
- (j) "Eligible Person" means an Employee, Management Company Employee, Director or Officer of the Company or any of its Subsidiaries and, except in relation to a Consultant Company, includes a company that is wholly-owned by such persons.
- (k) "Employee" means an individual who is a bona fide employee of the Company or of any Subsidiary of the Company and includes:
 - (i) a bona fide permanent part-time employee of the Company or any Subsidiary of the Company, and
 - (ii) a bona fide Consultant or Consultant Company of the Company or of a Subsidiary of the Company who is approved for participation in this Plan by the Board and in respect of whom the Company has qualified by way of an exemption, or has obtained an order from any securities commission or other regulatory authority having jurisdiction over the granting of options to consultants, permitting granting of the Option.
- (l) "Exchange" means the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.
- (m) "Insider" of the Company means a Participant who is an "insider" of the Company as defined in the Securities Act.
- (n) "Investor Relations Activities" has the meaning ascribed thereto in the Securities Act.
- (o) "Management Company Employee" means an individual who is a bona fide employee of a company providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities.
- (p) "Officer" means a senior officer of the Company or any of its Subsidiaries.
- (q) "Option" means an option granted under the terms of the Plan.
- (r) "Option Commitment" means the notice of grant of an Option delivered by the Company hereunder to an Optionee and substantially in the form of Exhibit A hereto.
- (s) "Option Period" means the period during which an Option may be exercised, subject to the provisions of section 2.6.
- (t) "Optionee" means a Participant to whom an Option has been granted under the terms of the Plan.
- (u) "Participant" means, in respect of the Plan, a person who elects to participate in the Plan.
- (v) "Plan" means this Incentive Stock Option Plan established and operated pursuant to Article II hereof.
- (w) "Securities Act" means the *Securities Act*, R.S.B.C., 1996 c.418, as amended from time to time.

- (x) "Share Compensation Arrangement" means the Plan described herein and any other stock option, stock option plan, employee stock purchase plan, share distribution plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more Eligible Persons.
- (y) "Shares" means the common shares of the Company.
- (z) "Subsidiary" has the meaning ascribed thereto in the Securities Act.

ARTICLE II STOCK OPTION PLAN

2.1 Participation

Options to purchase Shares may be granted hereunder to Eligible Persons.

2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

2.3 Exercise Price

The exercise price per Share shall be determined by the Board but, in any event, the option price may not be lower than the market price, i.e. the closing price of the Shares as traded on the Exchange on the last business day proceeding the date on which the option is approved by the Board. Any reduction in the exercise price of an Option held by an Optionee who is an Insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

2.4 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. The date of each grant of Options shall be determined by the Board when the grant is authorized.

2.5 Option Commitment

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option and upon delivery of the Option Commitment to the Optionee by the Company the Optionee shall have the right to purchase the Shares underlying the Option at the exercise price set out therein, subject to any provisions as to the vesting of the Option.

2.6 Terms of Options

The periods within which Options may be exercised and the number of shares which may be exercised in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond ten years from the date of the Option grant. Notwithstanding the foregoing, if the expiry date of any vested Option falls on, or within nine trading days immediately following a date upon which any applicable Optionee is prohibited from exercising such Option due to a black-out period or other trading restriction imposed by the Company, then the expiry date (and the Option Period) of such Option shall be automatically extended to the tenth trading day following the date the relevant black-out period or other trading restriction imposed by the Company is lifted, terminated or removed.

2.7 Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

2.8 Vesting

Options granted pursuant to the Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board at the date of the Option grant and as indicated in the Option Commitment related thereto.

Notwithstanding the foregoing, Options granted to Consultants providing Investor Relations Services shall vest in stages over a 12 month period with a maximum of one-quarter of the Options vesting in any three month period.

2.9 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Death of Optionee

If an Optionee ceases to be an Eligible Person due to its death, any Option held by it at the date of death shall be exercisable by the Optionee's legal heirs or personal representatives. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner.

2.11 Termination of Employment

If an Optionee ceases to be an Employee or other Eligible Person, other than as a result of termination with cause, or ceases to act as a Director of the Company or any of its Subsidiaries, any Option held by such Optionee at the effective date thereof shall be exercisable only to the extent that the Optionee is entitled to exercise the Option and only for 30 days thereafter (or such longer period as may be prescribed by law) or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, Options granted to an Optionee who was engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities. In the case of an Optionee being dismissed from employment or service for cause, the Option shall immediately terminate and shall no longer be exercisable as of the date of such dismissal.

2.12 Effect of Take-Over Bid

If a bona fide offer (the "Offer") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the Securities Act, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "Optioned Shares") pursuant to the Offer. If:

- (a) the Offer is not complied with within the time specified therein;
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of the Option as set forth in this Plan and the Option Commitment shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

2.13 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such reorganization, amalgamation or merger if the Optionee had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.14 Effect of Change of Control

If a Change of Control occurs, all option shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee.

2.15 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassifications of Shares, or otherwise, the number of Shares subject to any Option, and the exercise price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1(a) shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. An adjustment under Section 2.14 or 2.15 (the "Adjustment Provisions") will take effect at the time of the event giving rise to the adjustment, and the Adjustment Provisions are cumulative. The Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the exercise price or number of Shares deliverable upon exercise of an Option in any of the events set out in Section 2.12, 2.14, 2.15 or 2.15 such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE III GENERAL

3.1 Maximum Number of Shares

- (a) The maximum number of Shares that may be issuable pursuant to this Plan to all Participants is 18,000,000 Shares (including outstanding options).
- (b) The maximum number of Shares that may be issued pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares outstanding from time to time.
- (c) The maximum number of Shares that may be issued pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares outstanding from time to time.

3.2 Transferability

Options are not assignable or transferable other than by will or by the applicable laws of descent. During the lifetime of an Optionee, all Options may only be exercised by the Optionee.

3.3 Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any Subsidiary, or interfere in any way with the right of the Company or any Subsidiary, to terminate the Optionee's employment at any time. Participation in the Plan by an Optionee is voluntary.

3.4 No Shareholder Rights

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

3.5 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

3.6 Necessary Approvals

The Plan shall be effective only upon the approval of both the Board and the shareholders of the Company by ordinary resolution or Disinterested Shareholder Approval. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price paid by an Optionee to the Company shall be returned to the Optionee.

3.7 Administration of the Plan

Subject to the provisions of section 3.9, the Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

3.8 Income Taxes

As a condition of and prior to participation in the Plan, a Participant shall authorize the Company in written form to withhold from any remuneration otherwise payable to such Participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

3.9 Amendments and Shareholder Approval The Board may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of shareholders or any governmental or regulative body. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the Plan without seeking shareholder approval:

- (a) amendments of a "housekeeping" or ministerial nature including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including without limitation, the rules, regulations and policies of the Exchange);
- (c) amendments respecting administration of the Plan;
- (d) any amendment to the vesting provisions of the Plan or any Option;
- (e) any amendment to the early termination provisions of the Plan or any Option, whether or not such Option is held by an Insider, provided that such amendment does not entail an extension beyond the original expiry date;
- (f) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of Participants of Shares under the Plan, and the subsequent amendment of any such provision which is more favourable to Participants;
- (g) the addition or modification of a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying Shares from the Plan reserve;
- (h) amendments necessary to suspend or terminate the Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including without limitation, the rules, regulations and policies of the Exchange).

Shareholder approval will be required for the following types of amendments:

- (i) amendments to the number of Options issuable under the Plan, including an increase to a fixed maximum number of Options or a change from a fixed maximum number of Options to a fixed maximum percentage;

- (ii) any amendment which reduces the exercise price of an Option (the Exchange does not permit the exercise price to be below the Market Price);
- (iii) any amendment extending the term of an Option held by an Insider beyond its original expiry date except as otherwise permitted by the Plan;
- (iv) the adoption of any option exchange scheme involving Options; and
- (v) amendments required to be approved by shareholders under applicable law (including without limitation, the rules, regulations and policies of the Exchange).

Where shareholder approval is sought for amendments under subsections (ii) or (iii) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded. In the event of any conflict between subsections (a) to (i) and subsections (i) to (v), above, the latter shall prevail to the extent of any conflict.

3.10 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.11 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

3.12 Compliance with Applicable Law

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Approved by the Board on April 15, 2009.

Approved by the Shareholders on May _____, 2009.

EXHIBIT A

Red Back Mining Inc.

INCENTIVE STOCK OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this ____ day of _____ (the "Effective Date"), Red Back Mining Inc. (the "Company") has granted to _____, an Option to acquire _____ Common Shares ("Shares") up to 5:00 p.m. Vancouver Time on the _____ day of _____ (the "Expiry Date") at an exercise price of Cdn. \$ _____ per share.

Shares may be acquired as follows: •

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's Incentive Stock Option Plan, the terms and conditions of which are hereby incorporated herein.

Without the prior written approval of the Company and compliance with all applicable securities legislation, the Options granted hereby, including the Shares issuable upon exercise of the options may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [4 months and 1 day after date of grant of options].

To exercise your Option, deliver a written notice specifying the number of Shares you wish to acquire, together with cash or a certified cheque payable to the Company for the aggregate exercise price, to the Company. A certificate for the Shares so acquired will be issued by the transfer agent as soon as practicable thereafter. The certificate for the Shares shall bear, in addition to any other legend required under applicable securities laws, the following legend if required by the TSX Exchange:

WITHOUT THE PRIOR WRITTEN APPROVAL OF THE TSX EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE INCLUDING SHARES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [4 MONTHS AND 1 DAY AFTER DATE OF GRANT OF OPTIONS].

RED BACK MINING INC.

Authorized Signatory