



A Gold Resource Royalty
Company

ANNUAL INFORMATION FORM

March 30, 2009

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FORWARD LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements, with respect to the Company's financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although the Company believes that its plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this Annual Information Form. These statements include comments regarding: the establishment and estimates of mineral resources, exploration spending, the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this Annual Information Form. These forward looking statements involve a number of risks and uncertainties. See "Risk Factors", page 11 below.

CURRENCY AND EXCHANGE RATES

In this Annual Information Form, all references to "\$" or "dollars" are to United States Dollars, Cdn\$ are to Canadian dollars, and € is to the Euro. On December 31, 2008, the Noon Buying Rate as quoted by the Federal Reserve Bank of New York was \$1.00 equals Cdn\$1.2240 or €0.7184.

TECHNICAL REPORT REGARDING THE ROSEBEL GOLD MINE

National Instrument 43-101 of the Canadian Securities Administrators (“NI 43-101”) contains certain requirements relating to disclosure of technical information in respect of mineral projects.

The information in this Annual Information Form regarding the Rosebel Gold Mine (as defined herein) is primarily extracted from a technical report on the Rosebel Gold Mine dated June 7, 2007 authored by G.S. Carter, P. Eng., who is an independent qualified person for the purposes of applicable Canadian securities law (the “Gross Rosebel Report”).

The terms of the Rosebel Royalty (as defined below) do not contain provisions that would enable the Company to obtain access to the Rosebel Gold Mine or to all of the information relating to the Rosebel Gold Mine held by IAMGOLD Inc. (“IAMGOLD”), the owner of 95% of the issued capital of the corporation that owns the Rosebel Gold Mine, and, effective as of December 31, 2008 following completion of the tender offer described below under “Development of the Company’s Business - Three Year History”, the owner of approximately 84.6% of the issued capital of the Company.

At the time of preparation of the Gross Rosebel Report in 2007, the Company requested from IAMGOLD but did not received access to necessary data for the purposes of data verification and was not able to obtain necessary information from the public domain. As well, the Company had requested, but was refused, access to the Rosebel Gold Mine for the purposes of a personal inspection by the qualified person who prepared the Gross Rosebel Report. The qualified person could not conduct a site visit, could not independently sample and assay portions of the deposit and could not review the following items prescribed by NI 43-101:

- (a) geological investigations, reconciliation studies, independent check assaying and independent audits;
- (b) estimates and classification of mineral resources and mineral reserves, including the methodologies applied by the mining company in determining such estimates and classifications, such as check calculations; or
- (c) life of mine plan and supporting documentation and the associated technical-economic parameters, including assumptions regarding future operating costs, capital expenditures and saleable metal for the mining asset.

Pursuant to section 9.2 of NI 43-101, the Company is not required to comply with section 6.2 of NI 43-101 and is not required to complete those items in a technical report that require data verification, inspection of documents or personal inspection of the mineral property. The Gross Rosebel Report does not include such items. Please refer to the Gross Rosebel Report, which is available under the Company’s issuer profile on the SEDAR website, www.sedar.com.

The Company anticipates that in light of IAMGOLD’s majority ownership of the Company’s outstanding shares, as at such time that the Company is obligated under the provisions of NI 43-101 to prepare a new technical report regarding the Rosebel Gold Mine, the Company will be provided with access to necessary data for the purposes of data verification along with access to the Rosebel Gold Mine for the purposes of a personal inspection by the qualified person responsible for such new technical report.

NAME AND ORGANIZATION

EURO Ressources S.A. (the “Company”) is a corporation incorporated under the laws of France on April 20, 1993 under the name “Guyanor Ressources S.A.”. On June 23, 2005, the Company’s name was changed to its present name. The Company’s registered office is located at 23, rue du Roule, 75001 Paris, France. The Company’s principal executive office is located at Suite 3200, 401 Bay Street, PO Box 153, Toronto, Ontario, Canada M5H 2Y4. The Company has one wholly-owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane sarl (“SOTRAPMAG”), a corporation incorporated under the laws of France, which the Company acquired in 1994.

DEVELOPMENT OF THE COMPANY’S BUSINESS

Three Year History

From the time the Company was established in 1993 until 2004, its business activities focused on exploration and, if warranted, development of precious metal deposits in French Guiana. In accordance with this business model the Company acquired the mineral rights to several exploration stage properties in French Guiana and conducted exploration related activities on these properties. These exploration activities were funded through a combination of equity capital funds, joint venture partnership funds and loans from Golden Star Resources Ltd. (“Golden Star”), which was, until June 2006, the Company’s majority shareholder.

Since 2000 there has been no material exploration work performed by the Company on the Company’s properties. The Company undertook a major restructuring in 2004 and following this restructuring, in December 2004, the Company acquired a participation right (the “Rosebel Royalty”) on the Gross Rosebel gold mine in Suriname (the “Rosebel Gold Mine”), which is owned and operated by IAMGOLD Corporation (“IAMGOLD”), the successor owner to Cambior Inc. (“Cambior”).

In March 2007, the Company entered into a memorandum of understanding with Golden Star (the “Memorandum of Understanding” or the “MoU”) which provides for the sale of the exploration permit held by the Company (the “PER”) and the eight mineral concessions in French Guiana owned by SOTRAPMAG (together, referred to as the “Paul Isnard Properties”), and the sale of SOTRAPMAG, for the following consideration:

- a cash payment calculated with reference to gold production and gold price; these payments will be equal to 10% of the gold price per ounce in excess of \$400 on the first 2 million ounces of production and 5% of the gold price per ounce in excess of \$400 on the next 3 million ounces of production; and
- Golden Star’s undertaking to spend, prior to November 1, 2007, €1,215,000 on the Paul Isnard PER, and to complete a feasibility study on at least one project on the Paul Isnard Properties prior to the first anniversary of the MoU. Subject to a positive feasibility study, Golden Star agreed to commence commercial production on at least one project on the Paul Isnard Properties prior to the end of September 2009. In the event of commercial production being delayed beyond the end of September 2009 Golden Star agreed to pay advance royalties to the Company of \$1,000,000 per annum.

Golden Star has fulfilled the required expenditure on the Paul Isnard PER but has failed to provide a feasibility study to the standard prescribed by NI 43-101, as required by the MoU.

In November 2007, the Company completed a rights issue with its shareholders, raising additional equity of €7.34 million in cash (being approximately \$11 million) in consideration for the issue of 10,098,576 additional common shares.

In September 2008 litigation commenced in Canada between the Company and Golden Star concerning the Paul Isnard Properties. The Company asked the Court to confirm Golden Star's repudiation of the MoU and is seeking damages from Golden Star. Golden Star has filed a countersuit seeking transfer of the Paul Isnard Properties to Golden Star. Golden Star also seeks monetary damages. The Company considers Golden Star's claim to be without merit.

Consequent on the review of environmental matters related to mining activity in French Guiana, currently being undertaken by the French Government, there is uncertainty as to the areas where mining activity may be permitted in French Guiana, although preliminary indications suggest that mining activities will not be restricted on the areas under the PER. However, until such time as this review is concluded, it is not expected that significant further activity will be undertaken on the Paul Isnard Properties.

On August 29, 2008, IAMGOLD filed with the Autorité des marchés financiers (the French financial services regulator) (the "AMF") an unsolicited takeover bid to acquire up to 100% of the outstanding common shares of the Company for €1.20 per share. The offer was conditional on IAMGOLD receiving tenders from EURO's shareholders such that the total tendered together with the approximate 4.95% shareholding then held by IAMGOLD, would represent a minimum of 50% plus one share of the Company's common shares on a fully-diluted basis. On December 2, 2008, the AMF announced preliminary results of the tender offer made by IAMGOLD. The total number of shares that had been tendered was 43.4 million shares representing 71.6% of the outstanding common shares (being 69.4% on a fully-diluted basis), such tendered amount being in excess of the minimum threshold set by IAMGOLD of 50% plus one share. In early December 2008, the offer reopened with the same conditions as before, allowing shareholders who had previously not tendered to do so if they wished. IAMGOLD's offer closed on December 17, 2008 and the AMF announced in late December 2008 that IAMGOLD controlled 84.6% of the common shares of the Company on a fully-diluted basis.

Significant Acquisitions and Dispositions

During the year ended December 31, 2008, there were no significant acquisitions or dispositions completed by the Company.

Future Plans

In 2009 the Company will continue to receive revenue from the Rosebel Royalty. The intention of the Company's management is to secure the Company's interests in the Paul Isnard Properties and related concessions and permits and review the best scenario for the continued development of those interests. The Company will address the outstanding litigation with Golden Star in a way that fairly protects the interests of all shareholders and will retire the outstanding hedge contracts described under "Description of the Company's Business - Risk Factor - Risks Associated with the Fluctuation of Gold Prices".

IAMGOLD will maintain its publicly stated intention of acquiring additional shares of the Company to allow for a mandatory tender of all remaining shares in accordance with French corporate law. However, at the present time no definitive timetable for such action has been determined.

DESCRIPTION OF THE COMPANY'S BUSINESS

As set forth above under "Development of the Company's Business" the Company's principal business activity is the holding of the Rosebel Royalty and its interest in the Paul Isnard mineral property described below.

The Rosebel Royalty

Economic Terms of the Rosebel Royalty

The Rosebel Royalty provides for payment by IAMGOLD to the Company of cash amounts determined with reference to the volume of gold produced at the Rosebel Gold Mine. The Rosebel Royalty requires IAMGOLD to pay an amount determined as the product of: (i) gold production and (ii) in respect of production from soft and transitional rock, 10% of the amount by which the gold price exceeds \$300 per ounce and in respect of production from hard rock, 10% of the amount by which gold price exceeds \$350 per ounce. The royalty is calculated and payable quarterly and after deduction from production of royalties payable in kind to the Government of Suriname. The Rosebel Royalty payable by IAMGOLD applies to the first 7 million ounces of attributable production from the mine.

Effective December 31, 2004, the Company acquired the Rosebel Royalty from Golden Star for initial consideration of \$12 million cash. The terms of the acquisition contemplated that the Company would pay additional consideration (the "Additional Consideration") to Golden Star, calculated and payable quarterly, in the event that attributable production from Rosebel exceeds two million ounces. The Additional Consideration was to be \$2.50 per ounce or such lesser amount as actually received by the Company from IAMGOLD in respect of production over two million ounces and up to four million ounces, and \$5.00 per ounce or such lesser amount actually received by the Company from IAMGOLD in respect of production over four million ounces and up to seven million ounces. Pursuant to the terms of the March 23, 2007 Memorandum of Understanding between the Company and Golden Star, in December, 2007 the Company settled the Additional Consideration by making cash payment to Golden Star in the amount of \$4.4 million from proceeds realized under the Company's rights offering.

To finance the acquisition of the Rosebel Royalty, the Company borrowed \$6.0 million from Macquarie Bank Limited and used those funds to pay the initial instalment of the purchase price due to Golden Star. An additional instalment of \$6.0 million of the purchase price was payable to Golden Star on June 30, 2005. However, in August, 2006 Golden Star agreed to a deferment of such payment and to provide a \$3 million subordinated loan to the Company in conjunction with an additional advance of \$3 million by Macquarie Bank Limited under the Company's existing credit facility. All of these funds were advanced to the Company on September 30, 2005 and paid to Golden Star in satisfaction of the additional instalment. In December 2007, the Company settled the full amount of the principal and accrued interest owing to Golden Star of \$3.72 million from proceeds realized under the Company's rights offering.

The initial advance of \$6 million from Macquarie Bank Limited was repayable in nine equal quarterly instalments of \$666,667 commencing in July, 2005. In April 2007, Macquarie Bank Limited agreed to the deferment of the principal amount due at that time, with payment rescheduled to January 2009. The additional amount of \$3 million advanced under the Company's revised credit facility is repayable in five equal quarterly payments of \$600,000 commencing October 31, 2007. The Macquarie Bank Limited credit facility was repaid in full at the beginning of December, 2008, although the Company remains subject to restrictions on the use of its available cash under the terms of the credit facility until such time as all outstanding hedge contracts are retired.

In October 2007, IAMGOLD withheld a portion of the Rosebel royalty then due to the Company. This deduction was a revision to the basis of the royalty payments made by Cambior from the inception of production at Rosebel and a revision to the payments made by IAMGOLD since its acquisition of Cambior in late 2006. Further deductions were made against the royalty payable in January, April, July and October 2008 in respect to production in the fourth quarter of 2007 and the first three quarters of 2008. The Company was of the view that there was no basis for such a computation under the terms of the Rosebel Royalty. Consequently, the Company objected to the deduction and sought arbitration as provided under the Royalty Agreement. In late November 2008, the arbitrator ruled in favor of the Company, and subsequently IAMGOLD paid the full amount of the deductions, with interest, which amounted to \$0.976 million. The Rosebel Royalty receivable for the fourth quarter of 2008 includes the full amount of the Rosebel Royalty receivable without deductions.

Underlying Mineral Resources of the Rosebel Gold Mine

Under applicable Canadian securities legislation, the Company is required to file a technical report in respect of the Rosebel Gold Mine in support of disclosure to be made in its public disclosure documents, including this Annual Information Form.

The terms of the Rosebel Royalty do not contain provisions that would enable the Company to obtain access to the Rosebel Gold Mine or to all of the information held by IAMGOLD relating to the Rosebel Gold Mine. However, the Company has prepared and filed a technical report on the Rosebel Gold Mine dated June 7, 2007 authored by G.S. Carter, P. Eng., who is an independent qualified person for the purposes of applicable Canadian securities law (the "Gross Rosebel Report"). The Gross Rosebel Report was prepared pursuant to certain exemptions from the requirements under Canadian securities laws pertaining to technical reports. See "Technical Report Regarding Rosebel Gold Mine".

The Company anticipates that in light of IAMGOLD's majority ownership of the Company's outstanding shares, as at such time that the Company is obligated under the provisions of NI 43-101 to prepare a new technical report regarding the Rosebel Gold Mine, the Company will be provided with access to necessary data for the purposes of data verification along with access to the Rosebel Gold Mine for the purposes of a personal inspection by the qualified person responsible for such new technical report.

The following is the summary of the Gross Rosebel Report and is reproduced below in accordance with applicable securities legislation.

"EURO Ressources S.A. ("EURO" or the "Company") acquired the Participation Right in the Gross Rosebel gold mine from Golden Star Resources Ltd. in 2004. The mine is operated by Rosebel Gold Mines NV ("RGM") a 95% owned subsidiary of Cambior Inc. ("Cambior") and is located in Suriname, South America. On November 8, 2006, 100% of Cambior was acquired by IAMGOLD through a business combination.

The amount payable under Gross Rosebel Participation Right is dependant upon the nature of the ore being mined, the gold production from the mill, and the gold price. The Participation Right is based on all of the gold produced less amounts payable in kind to the Government of Suriname. This report will opine on the validity of the reserves/resource, the nature of the reserves/resource, the validity of the data in the feasibility study and the recent results and forecasts presented by Cambior/IAMGOLD, as the author of this report is unable to make a site visit and only has access to data in the public domain. The author will opine on the validity of the public data available and whether or not it appears to be valid in his opinion.

Since the original feasibility study and NI 43-101 compliant report (dated April 2001, and dated September 2002) were filed on Sedar, the only data available has been the public disclosures made by Cambior/IAMGOLD, public presentation materials and other regulatory filings.

Since the mine started production on February 11, 2004 it has produced more than forecast and has increased the reserves/resources due to further exploration and the increase in the gold price.

In April 2001 the stated probable mineral reserves were 25.2 million tonnes grading 1.7 grams per tonne of gold ("g/t Au"), for a total of 1.35 million ounces. This was based on a gold price of US\$300 per ounce.

By December 31, 2005, Cambior was reporting Mineral Reserves at Rosebel at 73.046 million tonnes grading 1.37 g/t Au, containing 3.212 million ounces, at a gold price of US\$425. After production in 2004 and 2005 this represented a cumulative production and reserve from the start of operations, i.e. mined and remaining reserve of 85.309 million tonnes at a grade of 1.41 g/t Au, containing 3.873 million ounces of gold.

This data was all NI 43-101 compliant and indicates that Cambior had been able to increase the reserve/resources very considerably by conducting an aggressive exploration program. In 2006 Cambior indicated that they had budgeted an exploration budget of \$6.5 million at the mine.

The latest reports from IAMGOLD indicate that as of December 31, 2006, there was the following reserve/resource at the Gross Rosebel Mine:

	<u>Tonnes</u> <u>(Millions)</u>	<u>Grade</u> <u>(g/t Au)</u>	<u>Contained Gold</u> <u>(Millions of Troy Ounces)</u>
<u>Reserves</u>			
Proven	47.566	1.2	1.829
Probable	52.886	1.2	1.988
Total	100.452	1.2	3.817
<u>Measured and Indicated Resources*</u>			
Measured	88.699	1.1	3.177
Indicated	95.333	1.0	3.134
Total	184.032	1.0	6.311
<u>Inferred Resources</u>			
Total Inferred	134.571	1.0	4.340

* Measured and indicated resources are inclusive of proven and probable reserves.

These reserves/resources were based on a gold price of US\$500 per ounce for gold and are stated to be NI 43-101 compliant. The author has not had an opportunity to independently verify the calculations used to provide the above data, however he is of the opinion that the calculations would have been done to industry standards, and that they can be relied upon.

The above table indicates that as the Gross Rosebel Participation Right is payable on a maximum of 7 million ounces of attributable gold production it is likely that EURO will receive a royalty on the maximum amount. Attributable gold production is 98% of the mine's production. As of December 31, 2006 EURO had a royalty remaining on 6,084,000 ounces of gold.

EURO has requested the detailed information necessary for independent verification required under NI 43-101 and has been denied it.

EURO has requested a site visit as required under NI 43-101 and has been denied it.

IAMGOLD has indicated in presentations that it feels the Rosebel mine has the potential to increase tonnage by expanding the mobile mining fleet and expanding the mill.”

Project Description and Location

The property upon which the Rosebel Gold Mine is located covers an area of 170 square kilometres in north central Suriname at a latitude of 22° 25' North and a longitude of 55° 10' West. The property lies in the District of Brokopondo, between the Suriname River to the east and the Saramacca River to the west, approximately 80 kilometres south of the capital city of Paramaribo.

Accessibility, Climate, Local Resources and Infrastructure

There are two access routes from Paramaribo to the Rosebel Gold Mine. One route utilizes a 30 kilometre paved road which connects Paramaribo to Paranam. From Paranam, an unpaved road courses south to reach the Mine. The other route is a paved road which connects Paramaribo to the international airport at Zanderij. A gravel road connects Zanderij to property access road. Travel distance for both routes from Paramaribo is approximately 100 kilometres. The Rosebel Gold Mine is located in an area of small hills covered with tropical rain forest and separated by flat-lying savannah with a light cover of low trees, shrubs and grass. The climate is typically tropical, with high humidity and mean temperatures varying from 26° C to 28° C. There are two wet seasons each year: late April to mid-August and early December to early February, and the October dry season can result in near-drought conditions. Average rainfall at the project site is about 2,200 millimetres per year. Suriname is in a low seismic zone. See Section 7 of the Gross Rosebel Report.

History

The Gross Rosebel property and the Rosebel Gold Mine date from 1879. See section 8 of the Gross Rosebel Report.

Geological Setting

See section 9 of the Gross Rosebel Report.

Exploration

See section 12 of the Gross Rosebel Report.

Mineralization

See section 11 of the Gross Rosebel Report.

Drilling

See Section 13 of the Gross Rosebel Report.

Sampling and Analysis

See Section 14 of the Gross Rosebel Report.

Security of Samples

See Section 15 of the Gross Rosebel Report.

Mineral Resource and Mineral Reserve Estimates

See Section 19 of the Gross Rosebel Report.

IAMGOLD reported that at December 31, 2006 the following were the mineral resource and mineral reserve estimates for the Rosebel Gold Mine:

	Tonnes (Millions)	Grade (g/t Au)	Contained Gold (Millions of Troy Ounces)
Reserves			
Proven	47.566	1.2	1.829
Probable	52.886	1.2	1.988
Total	100.452	1.2	3.817
Measured and Indicated Resources*			
Measured	88.699	1.1	3.177
Indicated	95.333	1.0	3.134
Total	184.032	1.0	6.311
Inferred Resources			
Total Inferred	134.571	1.0	4.340

*Measured and indicated resources are inclusive of proven and probable reserves. These reserves and resources estimates were based on a gold price of \$500 per ounce.

Mining Operations

See section 18 of the Gross Rosebel Report.

The Paul Isnard Property

On October 29, 1994, the Company acquired an interest in the Paul Isnard exploration projects by way of the acquisition of all of the outstanding shares of Société de Travaux Publics et de Mines Aurifères en Guyane (“SOTRAPMAG”). SOTRAPMAG holds eight mineral concessions at Paul Isnard which will expire on December 31, 2018 but which can be renewed for an additional 25 years. Total area of the eight concessions is 150 square kilometers.

The Company formerly held an Exclusive Exploration Permit at Paul Isnard, which was granted on November 30, 1999 for an initial period of three years, covering an area of approximately 283 square kilometers. Its first validity period expired on December 1, 2002. An application for renewal for a five-year period and reduced surface area (199 square kilometers) was sent to the French Administration on July 30, 2002. The application was revised in late 2005 to cover a further reduced surface area of 140 square kilometers which was approved by the Ministry of Industry in February 2006. This permit expired in November, 2007; the Company has applied for a renewal for a three year period, which renewal is being processed by the French government authorities. The Company has agreed to sell its interest in the Paul Isnard Properties to Golden Star pursuant to the March 23, 2007 Memorandum of Understanding. See “Development of the Company’s Business - Significant Acquisitions and Dispositions - Memorandum of Understanding Regarding Paul Isnard Properties”.

The Company entered into a farmout agreement in 2003 with Compagnie de Travaux Miniers de Guyane sarl (“Cotmig”) pursuant to which Cotmig may exploit alluvial and par alluvial deposits within the Paul Isnard concessions. This agreement expired in accordance with its terms in 2008 and has not been renewed by the Company. The Company also has a royalty agreement with Societe Minera St. Elise in relation to the sale proceeds of gold produced on the Paul Isnard Properties. During 2008 the amounts received by the Company under these two agreements was approximately \$0.4 million.

Other Information Regarding the Company’s Business

Employees and Management Services Agreement

As at the date of this Annual Information Form, the Company had no employees. Effective February 1, 2009, the Company entered into an agreement with IAMGOLD pursuant to which IAMGOLD provides the Company with general management and executive services, business planning and development, cash management and investment, assistance with accounting and financial services, a corporate secretary, investor relations and shareholder communications, governmental relations, risk management, legal and tax services, technical and geological support, human resource and staffing, procurement and logistics. The Company is dependent on the provision of these services.

Environmental Matters

The Company is not a party to any environmental litigation, nor does it have any outstanding notices of violation.

Risk Factors

In addition to the general business and market risks commonly associated with public companies, there are risks specifically associated with the type and nature of the Company’s operations. Due to the following factors and others disclosed elsewhere in this Annual Information Form, actual results, performance or achievements of the Company could differ materially from those projected by the Company.

Rosebel Gold Mine Operations

The basis for determining the payments to be made to the Company under the Rosebel Royalty is gold production at the Rosebel Gold Mine, which is located in Suriname. The Company has no control or influence over the operations of the Rosebel Gold Mine. The operations of the Rosebel Gold Mine are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Uncertainty of Reserve and Other Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and other mineralization, including many factors beyond the control of the Company. The estimation of reserves and other mineralization is a subjective process and the accuracy of any such estimate is a function of the quality of available data and of engineering and geological interpretation and judgment.

Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurance can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to great uncertainty and gold prices have fluctuated widely in the past.

Risks Associated with the Fluctuation of Gold Prices

The Company's revenues are expected to be derived, in large part, from the payments associated with the mining and sale of gold at the Rosebel Gold Mine. The price of gold can fluctuate significantly, and is affected by numerous factors beyond the Company's control, including international economic and political trends, inflation expectations, interest rates, central bank loans, sales and purchases, global or regional consumptive patterns (such as the development of gold coin programs), speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these and other factors on the price of gold cannot be predicted accurately.

The current demand for, and supply of, gold affect gold prices but not necessarily in the same manner as they affect the prices of other commodities. The potential supply of gold consists of new mine production plus existing stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and individuals. Since mine production in any single year constitutes a very small portion of the total potential supply of gold, normal variations in current production do not necessarily have a significant effect on the supply of gold or on its price.

In order to mitigate the effect of fluctuations in the price of gold on the revenues derived from the Rosebel Royalty, in January 2005 the Company entered into forward sales arrangements with respect to 57,000 ounces of gold, in ten equal quarterly instalments of 5,700 ounces, at a price of \$421 per ounce. These hedge contracts matured on their scheduled settlement date, with the last such contract maturing in July, 2007.

In August, 2005 the Company entered into a further similar cash settled forward sales contract which obligates the Company to sell a further 5,700 ounces of gold at a price of \$458.50 per ounce to the same financial institution at the end of each calendar quarter, beginning in the third quarter of 2007 until December 31, 2009. These arrangements had the effect of "hedging" approximately 75% of the Company's financial interest in gold production through 2009, based on currently forecast production for the Rosebel Gold Mine.

Following the liquidation of outstanding hedges at and in advance of their scheduled maturity, as at December 31, 2008 the Company had 8,550 troy ounces in gold derivative contracts outstanding, all at a contract price of \$458.50.

Scheduled Maturity	2009				
	Q1	Q2	Q3	Q4	Total
Gold ounces	-	-	2,850	5,700	8,550

Requirements for Permits and Licenses

The operations of IAMGOLD, which owns and operates the Rosebel Gold Mine from which payments under the Rosebel Royalty are derived, require licenses and permits from various governmental authorities. There can be no assurance that such governmental authorities complied with all technical and

procedural formalities in the law in connection with the grant of such licenses or permits. Management understands that IAMGOLD presently holds or has applied for all necessary licenses and permits to carry on the activities which it currently is conducting under applicable laws and regulations in respect of its properties, and also believes IAMGOLD is presently complying in all material respects with the terms of such laws, regulations, licenses and permits, although the Company may be in breach of certain provisions of such laws, regulations, licenses and permits from time to time. Such licenses and permits issued or applied for are subject to changes in regulations and in various operating circumstances. There can be no assurance that IAMGOLD will be able to obtain or maintain in force all necessary licenses and permits that may be required for it to conduct further exploration or commence construction or operation of mining facilities at properties under exploration or maintain continued operations at economically justifiable costs.

Operation Hazards and Responsibilities

The Company does not operate any mining projects. However, payments under the Rosebel Royalty are derived from gold produced at the Rosebel Gold Mine, and the operations at that mine (and hence the ability of that mine to produce gold) are subject to operational hazards which are beyond the control of the Company and which include environmental hazards, the discharge of pollutants or hazardous chemicals, industrial accidents, labor disputes, encountering unusual or unexpected geological or operating conditions, slope failures, cave-ins, failure of pit walls or dams and fire, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes.

Dependence on Management Services Provider

The Company has no employees. Effective February 1, 2009, the Company entered into an agreement with IAMGOLD pursuant to which IAMGOLD provides the Company with general management and executive services, business planning and development, cash management and investment, assistance with accounting and financial services, a corporate secretary, investor relations and shareholder communications, governmental relations, risk management, legal and tax services, technical and geological support, human resource and staffing, procurement and logistics. The Company is dependent on the provision of these services.

Competition

The Company competes with other royalty companies in the identification and acquisition of royalties and similar economic interests relating to mineral properties. Many of these companies are more experienced, larger, and better capitalized than the Company. The Company's competitive position will depend upon its ability to successfully identify and economically acquire such royalties and similar interests.

History of Losses

The Company has a limited history of profitability and there can be no assurance of its ability to operate profitably.

Liquidity Concerns and Future Financings

The further acquisition of royalty interests will depend on the Company's ability to obtain financing through debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed.

Dividends

The Company has paid no dividends on its common shares since incorporation. At present, the Company is restricted from paying dividends under the terms of its credit facilities. See “Dividends”.

DIRECTORS AND OFFICERS

The name and municipality of residence of each of the Directors and senior management of the Company (along with their respective positions and offices held the Company and their respective principal occupation) is as follows:

<u>Name and Municipality of Residence</u>	<u>Office and/or Principal Occupation</u>
Carol Banducci Mississauga, Ontario	Director since 2009; Chief Financial Officer, IAMGOLD since 2007; prior thereto Vice President, Financial Operations, Royal Group Technologies (a building products manufacturer); from 2004 to 2005, engaged as a consultant advising on the restructuring of businesses; and prior to 2004, Chief Financial Officer of Canadian General-Tower Limited (a flexible polymer materials manufacturer).
Ian L. Boxall George Town, Cayman Islands	Director since 2005; Lawyer, senior partner Boxalls (law firm based in George Town, Cayman Islands) until retirement in 2002.
Paul Olmsted Mississauga, Ontario	Director since 2009; Senior Vice President, Corporate Development, IAMGOLD since 2003.
Larry E. Phillips Toronto, Ontario	Directeur-Général and Director since 2009; Senior Vice President, Corporate Affairs and Corporate Secretary, IAMGOLD, since 1990.
Ian Smith Vancouver, British Columbia	Director since 2008; President and Chief Executive Officer of Santa Fe Metals Corp. since 2007; Director of Crosshair Mining and Exploration Ltd. since 2006; Director of Excelsior Mining Corp. since 2007; President of Andreas Limited since 1998 and of Andreas Consulting Ltd. since 2007 (mining consulting companies).
David H. Watkins Vancouver, British Columbia	Director since 2006; President and Chief Executive Officer of Atna Resources Ltd. (mineral exploration company) since 2000.
Susanne Hermans Littleton, Colorado	Vice Président, Finance since 2005 and Directeur-Général Délégué since 2007.

The term of each director’s office expires at the annual meeting of the Company.

The directors have established an Audit and Corporate Governance Committee, which is comprised of Ian Boxall, Ian Smith and David Watkins. The Directors have established a Compensation Committee, which is comprised of Ian Boxall, Ian Smith and David Watkins.

As of March 1, 2009, the directors and executive officers of the Company as a group did not own, directly and indirectly, or exercise control and direction over, any common shares of the Company.

To the knowledge of the directors, no director or executive officer of the Company is or has been within the ten years preceding the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any issuer that:

- (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 that was in effect for a period of more than 30 consecutive days, while the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer of such issuer; or
- (b) 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 that was in effect for a period of more than 30 consecutive days that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer of such issuer that resulted from an event that occurred while that person was acting in such capacity;

To the knowledge of the directors, no director or executive officer of the Company, or IAMGOLD in its capacity as a shareholder of the Company:

- (a) is, as at the date of this Annual Information Form or has been within the 10 years before the date of this Annual Information Form a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Annual Information Form 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 its assets.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Audit and Corporate Governance Committee Charter

The Audit and Corporate Governance Committee's charter is attached as an Appendix to this Annual Information Form.

Composition of the Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee is comprised of three directors, Ian Boxall, Ian Smith and David Watkins. Each member of the Audit Committee is "independent" and "financially literate" for the purposes of Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110").

Education and Experience of the Members of the Audit Committee

The following is a summary of the relevant education and experience of each of the members of the Audit Committee:

Mr. Boxall is a retired corporate lawyer and former senior partner of the Cayman Islands-based firm formerly known as Boxalls. Mr. Boxall practiced corporate law for over 30 years and has served as a director of many public and private companies.

Mr. Smith has extensive experience in the mining industry and serves as a director of several reporting issuers. Mr. Smith is experienced in corporate management, including acquisitions and take over bid transactions, project management and as a senior consultant in the international precious and base metal industries.

Mr. Watkins is an international mining executive with over 39 years experience in exploration and development, acquisitions and mergers, and mining operations. Mr. Watkins has a Bachelors degree in Geology from Queen's University at Kingston and a masters degree in Geology from Carleton University in Ottawa.

The Directors believe that the education and experience of each of the members of the Audit Committee provide such members with:

- an understanding of the accounting principals used by the Company to prepare its financial statements,
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves,
- experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

During the financial period ended December 31, 2008, the Company did not rely on the exemptions set out in sections 2.4, 3.2, 3.4, 3.5, Part 8, subsection 3.3(2) or section 3.6 of MI 52-110, nor did the Company rely on section 3.8 of MI 52-110.

Audit and Corporate Governance Committee Oversight

During the financial period ended December 31, 2008, there was no recommendation of the Audit and Corporate Governance Committee to nominate or compensate the external auditor of the Company that was not adopted by the directors,

Pre-Approval Policies and Procedures

The Audit and Corporate Governance Committee has not adopted specific policies or procedures for the engagement of non-audit services to be provided by the Company's external auditor. However, any such proposed engagement would be considered by the Audit and Corporate Governance Committee.

External Audit Service Fees

Audit Fees

Aggregate audit fees billed by the Company's external auditors in relation to the year ended December, 2008 were \$295,943 (2007 - \$349,303). The billing related to partial payment of audit fees for the Company's December 31, 2008 and 2007 financial statements and out of pocket costs incurred.

Audit Related Fees

There were no fees billed in relation to the year ended December 31, 2008 or 2007 for professional services rendered by the Company's external auditors for services reasonably related to the performance of the audit or review of the issuer's financial statements and not reported under "Audit Fees" above.

Tax Fees

There were no fees billed in relation to the year ended December 31, 2008 or 2007 for professional services rendered by the Company's external auditors for tax compliance, tax advice, and tax planning.

All Other Fees

There were no fees billed in relation to the years ended December 31, 2008 or 2007 for other products and services provided by the Company's external auditors.

DIVIDENDS

The Company has paid no dividends on its common shares since incorporation. At present, the Company is restricted from paying dividends under the terms of its credit facilities. The directors have indicated their intention to declare dividends from available cash-flow from time to time, but payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

CAPITAL STRUCTURE**General**

The Company presently has capital of €624,964.61 divided into 62,496,461 common shares. All of the common shares are fully paid and non-assessable. In the event of a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of all of the assets of the Company among its shareholders, subject to the prior claims of creditors, the holders of the common shares shall be entitled to receive an amount per share equal to the par value of each share. The par value of the common shares is €0.01 per common share.

Voting Rights and Shareholder Meetings

In accordance with French law, there are two types of general meetings of shareholders: ordinary and extraordinary general meetings. Ordinary general meetings of shareholders are required for matters such as the election of directors, the appointment of the statutory auditors, the approval of the annual financial statements and the determination of dividends. Extraordinary general meetings of shareholders are required for the approval of any amendment of the Company's charter and the approval of certain other extraordinary corporate actions of the Company, such as an increase or decrease in the Company's share capital (including a waiver of preferential subscription rights), the creation of a new class of shares, mergers, the sale or transfer of all of the Company's assets and the liquidation of the Company prior to the end of its statutory term.

Each common share entitles the holder thereof to one vote at a ordinary general meeting and an extraordinary general meeting. Attendance and the exercise of voting rights at ordinary general meetings and extraordinary general meetings are subject to certain conditions. In order to vote, a shareholder must have his common shares registered in his name in a shareholder account maintained by or on behalf of the Company at least five days prior to the meeting. Each common share confers on the shareholder the right to one vote. A shareholder has the right to vote at the meeting in person, to vote by mail or to vote by

proxy. Under French law, the Company is obliged to send a vote by mail form to its shareholders, together with the text of the resolutions to be voted upon at the meeting to those of its shareholders that request it. However, if the Company elects, or is required under other applicable law, to send out to and solicit proxies from its shareholders, then it must always accompany the proxy form with a vote by mail form. Any abstention or lack of response in respect of a specific resolution on a vote by mail form will be construed as a vote against such resolution. A shareholder also has the option of completing a form of proxy to appoint a proxyholder (who must be the shareholder's spouse or another shareholder) to represent the shareholder at the meeting. If a proxy form does not indicate who is entitled to vote on behalf of the shareholder, the shareholder will be deemed to have approved all resolutions that have been approved by the Board of Directors of the Company and to have voted against any resolution not approved by the Board of Directors. When common shares will be held through nominees, those nominees shall be the sole "registered holders" and all rights described herein shall be derived solely from the beneficial holders' relationship with their nominees.

The quorum requirement for shareholders' meetings at which ordinary resolutions are to be passed is shareholders holding one-quarter of the common shares entitled to be voted at the meeting, whether present in person, represented by proxy or voting by mail. If such quorum is not present, the meeting must be adjourned. There is no quorum requirement for the adjourned meeting. For shareholders meetings at which a special resolution is to be passed, the quorum rules require that at least one-third of the common shares entitled to vote be present or represented by proxy or voted by mail (unless an increase in share capital is proposed through incorporation of reserves, profits or share premiums, in which case the quorum and majority required are the same as for an ordinary general meeting). Absent such quorum, such meeting must be adjourned. The quorum requirement is reduced to one-quarter of the common shares entitled to vote on recommencement of the adjourned meeting.

A simple majority of the common shares entitled to vote and present (including through vote by mail) or represented by proxy is required to pass an ordinary resolution; a two-thirds majority is required to pass a special resolution. Abstention by those present or represented by proxy but not voting is viewed as a vote against the resolution submitted to a vote.

Circumstances under French law that limit a shareholder's right to vote include: (a) common shares held by the Company may not be voted, (b) common shares held by shareholders who paid in-kind for any common shares may not be voted with respect to resolutions relating to the contribution in-kind and (c) common shares held by parties having an interest in the subject matter of resolutions to be approved by the Company's shareholders and who are members of the Board of Directors may not be voted by such parties in respect of such resolutions.

In addition to rights to certain information regarding the Company, any shareholder may, at any time after a shareholders' meeting has been called, submit to the Board of Directors written questions relating to the agenda for the meeting. The Board of Directors is generally required to respond to such questions during the meeting.

Dividends

Dividends, if as and when declared, will be distributed to shareholders pro rata according to their respective holdings of common shares. Dividends must be paid within nine months of the end of the Company's fiscal year and are payable to holders of common shares entitled to dividends on the date of payment. Dividends not claimed within five years of the date of payment revert to the French State.

Changes to Share Capital

The share capital of the Company may be increased only with the approval of the shareholders at a shareholders' meeting. At an extraordinary general meeting of shareholders held on December 11, 2006 the shareholders of the Company approved an increase in the Company's share capital up to a maximum nominal value of €1,000,000 by the issue of common shares by way of a rights offering to existing shareholders. In November 2007, the Company completed a rights issue with its shareholders, raising additional equity of €7.34 million in cash in consideration of the issue of 10,098,576 additional common shares. No other common shares were issued by the Company in 2007.

On December 12, 2008 an aggregate of 1,905,001 common shares were issued upon the exercise of stock options granted under the Company stock option plan, resulting in an increase in the paid up capital of approximately €1.42 million.

French law permits different classes of shares. A new class of shares, if so created, could have liquidation, voting and dividend rights different from the common shares. The share capital of the Company can be decreased only with the approval of the shareholders at a shareholders' meeting. The share capital can be reduced either by decreasing the nominal value of the common shares or by reducing the number of outstanding shares. A reduction in the number of outstanding common shares can be effected either by an exchange of common shares or by the repurchase and cancellation by the Company of its shares. The procedures for reduction of capital are different depending on whether the reduction is motivated by losses or for other reasons.

Redemption and Repurchase of Shares

Pursuant to French company law, the Company may not acquire its own shares except in certain circumstances such as (a) to reduce its share capital under certain circumstances and after the approval of the shareholders entitled to vote at an extraordinary general meeting, (b) to provide common shares for distribution to employees under a profit-sharing or stock option plan, or (c) to regulate, in certain circumstances, the price at which the shares are traded on a stock exchange. The amounts to be repurchased under (b) may not result in the company holding more than 10% of the outstanding common shares. French law provides that when a corporation holds its own shares, such shares become non-voting shares and do not give right to dividends. They also do not grant the corporation a preemptive right if new shares are issued for cash.

MARKET FOR SECURITIES

The Company's common shares are listed for trading on the Toronto Stock Exchange and the NYSE-Euronext Paris exchange under the symbol "EUR".

Trading Price and Volume

The following table sets out the high and low trading price, and total number of common shares traded, during each month in 2008 on the Toronto Stock Exchange (in Cdn\$, other than volume figures):

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
High:	1.60	1.35	1.66	1.59	1.50	1.55
Low:	1.05	1.17	1.26	1.40	1.36	1.38
Volume:	125,000	30,580	115,260	59,675	47,420	131,740

	<u>July</u>	<u>August</u>	<u>Sept.</u>	<u>October</u>	<u>November</u>	<u>December</u>
High:	1.60	1.80	1.80	1.70	1.80	2.50
Low:	1.31	1.40	1.68	1.55	1.55	1.64
Volume:	41,236	55,110	35,263	217,164	267,117	30,373

The following table sets out the high and low trading price, and total number of common shares traded, during each month in 2008 on the NYSE-Euronext Paris exchange (in €, other than volume figures):

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
High:	1.14	1.03	1.11	1.02	1.00	1.02
Low:	0.75	0.86	0.93	0.89	0.90	0.95
Volume:	21,263,600	14,493,000	13,343,700	7,811,100	4,741,900	3,466,800

	<u>July</u>	<u>August</u>	<u>Sept.</u>	<u>October</u>	<u>November</u>	<u>December</u>
High:	1.05	1.01	1.23	1.18	1.20	1.20
Low:	0.95	0.84	1.12	0.98	1.11	1.13
Volume:	4,979,500	3,014,900	9,967,200	6,047,400	3,354,600	2,656,700

Prior Sales

On December 12, 2008 an aggregate of 1,905,001 common shares were issued upon the exercise of stock options granted under the Company stock option plan, resulting in an increase in the paid up capital of approximately €1.42 million.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent is BNP Paribas Securities Services S.A. Paris, France. Equity Transfer and Trust Company at its principal offices in Toronto, Ontario, serves as sub-transfer agent.

MATERIAL CONTRACTS

The following is a description of the contracts, other than contracts entered into in the ordinary course of business of the Company, that are material to the Company and that were entered into in the year ended December 31, 2007 or which were entered into after January 1, 2002 and which are still in effect:

- Offer to Acquire the Rosebel Royalty made by the Company to, and accepted by, Golden Star dated September 30, 2004 (as amended). See “Description of the Company’s Business - The Rosebel Royalty - Economic Terms of the Rosebel Royalty”;
- Amended and Restated Credit Agreement between the Company and Macquarie Bank Limited dated for reference August 23, 2005. See “Description of the Company’s Business - The Rosebel Royalty - Economic Terms of the Rosebel Royalty”;
- Amendment to Credit Agreement among the Company and Macquarie Bank Limited dated effective December 31, 2005. See “Description of the Company’s Business - The Rosebel Royalty - Economic Terms of the Rosebel Royalty”;
- Memorandum of Understanding made as of March 23, 2007 between Golden Star and the Company. See “Development of the Company’s Business - Three Year History”; and
- Management Services Agreement made effective as of and from February 1, 2009 between the Company and IAMGOLD. See “Description of the Company’s Business - Other Information Regarding the Company’s Business - Employees and Management Services Agreement”.

INTERESTS OF EXPERTS

PricewaterhouseCoopers Audit, Paris, France and S&W Associates, Paris, France are the Company’s French co-auditors. Mr. G.S. Carter, P.Eng. of Broad Oak Associates, Toronto, Ontario prepared the Gross Rosebel Report referred to herein and filed with the Canadian securities regulators under applicable law. To the knowledge of the Company, none of PricewaterhouseCoopers Audit, S&W Associates, G.S. Carter or Broad Oak Associates, and none of the partners or employees of such firms who are a “designated professional” of such firms, hold any registered or beneficial interest, directly or indirectly, in any securities or other property of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Reference is made to the section of the Company’s Management’s Discussion and Analysis for the year ended December 31, 2008, which is incorporated by reference herein.

Additional information, including principal holders of our securities, executive compensation and loans to directors, executive officers and senior officers is contained in the Company’s Information Circular dated May 26, 2008 prepared for the purposes of the Company’s June 26, 2008 Annual Ordinary General and Extraordinary Meeting of Shareholders. Additional financial information is provided in the Company’s comparative financial statements and management’s discussion and analysis for its most recently completed fiscal period.

Appendix

THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

I. PURPOSE OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The purpose of the Audit and Corporate Governance Committee (“the Committee”) is to assist the directors in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to shareholders and others, identifying and monitoring the management of the principal risks that could impact the financial reports of the Company, reviewing the systems of corporate controls which management and directors have established and monitoring auditor independence and the audit process. The Committee also provides an avenue of communication among the external auditor, management and the directors. The Committee is also responsible for developing and monitoring the Company’s overall approach to corporate governance, and matters relating to the selection and appointment of directors and the monitoring of director performance.

More specifically the purpose of the Committee is to satisfy itself that:

- A. The Company’s annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company and to recommend to the Board whether the annual financial statements should be approved.
- B. The financial information contained in the Company’s quarterly financial statements and report, Annual Report to shareholders and other financial publications such as Management’s Discussion and Analysis, the Annual Information Form and information contained in any other material disclosure document is complete and accurate in all material respects and to recommend to the Board whether these materials should be approved.
- C. The Company has appropriate systems of internal control, safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements. This would include appropriate disclosure controls and procedures that enable financial information to be recorded, processed, summarized, and reported within the time periods required by law.
- D. The external auditor is independent and qualified and the external audit function has been effectively carried out and any matter which the external auditors wish to bring to the attention of the Board has been addressed. The Committee will also recommend to the Board the re-appointment or appointment of auditors and their remuneration.
- E. The Company’s approach to corporate governance is consistent with “best practices” in the context of the scope of the Company’s stage of development and its business activities.
- F. The Company identifies suitable persons for election and re-election as directors, given the mix of skills and experience of the directors and the Company’s requirements in the context of the scope of the Company’s stage of development and its business activities, and that the performance of individual directors is monitored and reviewed from time to time and that appropriate continuing education opportunities are provided to individual directors as may be required.

II. COMPOSITION AND TERMS OF OFFICE

- A. Following each annual meeting of shareholders of the Company, the Board shall appoint not less than three directors to serve on the Committee, each of whom shall be an outside director who is unrelated and free from any relationship that would interfere with the exercise of his or her independent judgment and who shall otherwise meet all applicable independence and other requirements of law.
- B. All members shall be financially literate, defined as being able to read and understand basic financial statements (or as otherwise defined by applicable legislation), and at least one member shall have accounting or related financial management expertise or, if required by applicable legislation, shall be a financial expert.
- C. The Committee Chair shall be appointed by the Board.
- D. The Committee Chair shall:
 - (1) provide leadership to the Committee by reinforcing and monitoring the achievement of the Committee’s objectives;
 - (2) coordinate the agenda, information packages and related events for Committee meetings with the Directeur-General;

- (3) chair Committee meetings; and
 - (4) liaise with external auditors to ensure changing standards of financial reporting and disclosures are addressed in a timely manner.
- E. Any member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member shall hold office until the close of the next annual meeting of shareholders of the Company or until the member resigns or is replaced, whichever occurs first.
 - F. The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member or by the external auditors.
 - G. The Committee will meet periodically with management and the external auditors in separate sessions.
 - H. The minutes of all meetings of the Committee will be provided to the Board.
 - I. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon requests to the Chair of the Committee.
 - J. The external auditors shall be given notice of, and have the right to appear before and to be heard at, every meeting of the Committee, and shall appear before the Committee when requested to do so by the Committee.

III. AUTHORITY AND RESPONSIBILITIES

- A. **Audit Committee Terms of Reference**
The Committee shall review and assess the adequacy of its terms of reference at least annually and submit its terms of reference to the Board for approval.
- B. **Financial Reporting Control Systems**
The Committee shall:
 - (1) review reports from senior officers outlining any significant changes in financial risks facing the Company;
 - (2) review the management letter of the external auditors and the Company's responses to suggestions made;
 - (3) review any new appointments to senior positions with financial reporting responsibilities, encompassing the positions the Directeur-General and any other such officer(s), and pre-approve the hiring to a financial reporting oversight role of any person who had been employed by the Company's external auditors within one year prior to the commencement of procedures for the current audit engagement; and
 - (4) annually, as at the end of the Company's fiscal year, in consultation with management and external auditors, evaluate the Company's internal controls and procedures for financial reporting, discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures, and review significant findings prepared by the external auditors together with management's responses.
- C. **Interim Financial Statements**
The Committee shall:
 - (1) review interim financial statements with Company officers prior to their release and recommend their approval to the Board; this will include a detailed review of quarterly and year-to-date results and Management's Discussion and Analysis;
 - (2) review narrative comment and associated press releases, and accompanying interim financial statements; and
 - (3) review prior to its release the Report to Shareholders that forms part of the quarterly and annual reporting of the Company.

D. Annual Financial Statements and Other Financial Information

The Committee shall:

- (1) review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;
- (2) obtain summaries of significant issues regarding accounting principles, practices and significant management estimates and judgments, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;
- (3) obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of analysis provided by Company officers;
- (4) review and discuss reports from external auditors on:
 - a. all critical accounting policies and practices to be used;
 - b. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosure and treatments, and the treatment preferred by the independent external auditor;
 - c. other material written communications between the independent external auditor and management, such as any management letter or schedule of unadjusted differences;
 - e. the external auditor's attestation of management's internal control report required by applicable law; and
 - f. legal letters received from the Company's Counsel in connection with the annual audit of the Company.
- (5) review disclosures made to the Committee by the Directeur-General during their certification process for any statutory documents about any significant deficiencies in the design or operation of internal controls or material weakness therein and any fraud involving management or other employees who have a significant role in the Company's internal controls;
- (6) review with the management the internal control report required to be included in any statutory document;
- (7) review and investigate complaints and confidential submissions to the Company or the Committee regarding internal controls or questionable account or auditing matters;
- (8) review a summary provided by the Company's legal counsel of the status of any material pending or threatened litigation, claims and assessments;
- (9) discuss the annual financial statements and the auditors' report thereon in detail with the Company's officers and auditors;
- (10) review the Annual Report and other annual public information documents including the Annual Information Form and Management's Discussion and Analysis;
- (11) provide to the Board a recommendation as to whether the annual financial statements should be approved;
- (12) review the Company's various sources of risk and management's plans to mitigate such risk including insurance, hedging, etc.; and
- (13) review the actuarial finding status of the pension plans managed by the Company.

E. External Audit Terms of Reference, Reports, Planning and Appointment

The external auditor shall report directly to the Committee. The Committee shall:

- (1) review the audit plan with the external auditors;
- (2) annually review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors independence;

- (3) discuss with the external auditors, without management present, matters affecting the conduct of their audit and other corporate matters;
- (4) recommend to the Board of Directors each year the retention or replacement of the external auditors; if there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition;
- (5) annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditor;
- (6) pre-approve all non-audit services to be performed by the external auditors that are not prohibited by law (unless not required by applicable law); and
- (7) ensure the rotation of the lead or coordinating audit partner having primary responsibility for the audit as required by law.

F. Legal Compliance

The Committee shall:

- (1) review legal matters with the Company's legal counsel; and
- (2) establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

G. Material Disclosure Documents

The Committee shall review the contents of any financial information within any prospectus, information circular or other material disclosure documents prior to their release and recommend their approval to the Board.

- H. The Committee shall review a summary, at least annually, of professional fees paid or payable in respect of accounting, tax, or legal matters.

IV. ACCOUNTABILITY

- A. The Committee shall report to the directors at their next regular meeting all such action it has taken since the previous report.
- B. The Committee is empowered to investigate any activity of the Company and all employees are to cooperate as requested by the Committee. The Committee may retain and compensate persons having special expertise to assist it in fulfilling its responsibilities and the Company/Company shall provide sufficient funding for this purpose.
- C. The Committee is authorized to request the presence of, at any meeting, a representative from external auditors, senior management, legal counsel, or anyone else who could contribute substantively to the subject of the meeting.