

**NOTICE OF ANNUAL MEETING OF THE
SHAREHOLDERS**

AND

MANAGEMENT PROXY CIRCULAR

of

ASIA GOLD CORP.

to be held on May 19, 2005

DATED: April 14, 2005

ASIA GOLD CORP.

**654 – 999 Canada Place
Vancouver, BC V6C 3E1
Telephone: 604-681-6799 Fax: 604-688-8391**

Notice of Annual General Meeting of Shareholders

May 19, 2005

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of **ASIA GOLD CORP.** (the “Company”) will be held at Suite 629 – 999 Canada Place, Vancouver, British Columbia, on Thursday, May 19, 2005, at 10:00 AM local time (the “Meeting”) for the following purposes:

1. to receive the report of the directors;
2. to receive the Company’s audited financial statements for the financial year ended December 31, 2004 and the auditor’s report thereon;
3. to appoint auditors for the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to elect directors for the ensuing year; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed April 12, 2005 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment thereof.

A Management Proxy Circular, a form of proxy, and the audited consolidated financial statements of the Company for the year ended December 31, 2004, and the auditor’s report thereon, accompany this Notice. The Management Proxy Circular contains details of matters to be considered at the Meeting.

A shareholder, who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting, is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular.

DATED at Vancouver, British Columbia, this 14th day of April, 2005.

BY ORDER OF THE BOARD OF
DIRECTORS

“Beverly A. Bartlett”

Beverly A. Bartlett
Corporate Secretary

ASIA GOLD CORP.
654 – 999 Canada Place
Vancouver, BC V6C 3E1
Telephone No: 604-681-6799 Fax No: 604-688-8391

MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular is furnished to the holders of Common Shares ("shareholders") of Asia Gold Corp. (the "Company") by management of the Company in connection with the solicitation of proxies to be voted at the Annual General Meeting of shareholders (the "Meeting") to be held at 10:00 AM on Thursday, May 19, 2005 in Suite 629 - 999 Canada Place, Vancouver, British Columbia, and at any adjournment thereof, for the purposes set forth in the Notice of Meeting that accompanies this Management Proxy Circular. Unless otherwise stated, this Management Proxy Circular contains information as at April 14, 2005.

APPOINTMENT AND REVOCATION OF PROXIES

A form of proxy pertaining to the Meeting is enclosed. The individuals named in the enclosed form of proxy are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him at the Meeting has the right to do so, either by inserting such person's name in the blank space provided on the form of proxy or by completing another form of proxy.**

An appointment of a proxyholder or alternate proxyholders will not be valid unless a form of proxy making the appointment, signed by the shareholder or by an attorney of the shareholder authorized in writing, is deposited with CIBC Mellon Trust Company, by facsimile to (604) 688-4301 or (416) 368-2502, by mail to P.O. Box 1900, Vancouver, British Columbia, V6E 3X1, by hand to Suite 1600, Oceanic Plaza, 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or by hand or mail to 200 Queen's Quay East, Unit 6, Toronto, Ontario, M5A 4K9 not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof at which the form of proxy is to be used.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited at the registered office of the Company, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof. A revocation of a proxy does not affect any matter on which a vote has been taken before the revocation.

VOTING OF PROXIES

Shares represented by properly executed forms of proxy in favour of the persons designated on the enclosed form of proxy will be voted or withheld from voting in accordance with instructions made on the proxy form in any ballot that may be called for. Where a shareholder specifies a choice as to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such instructions, such shares will be voted in favour of the matters specified in the form of proxy.**

The enclosed form of proxy confers discretionary authority upon the nominees therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein; and
- (iii) any other matter that properly comes before the Meeting.

At the time of printing of this Management Proxy Circular, the management of the Company knows of no such amendments, variations or other matters that may come before the Meeting but if any amendment, variation or other matter properly comes before the Meeting, each nominee named in the accompanying form of proxy intends to vote thereon in accordance with the nominee's best judgment.

SOLICITATION OF PROXIES

The enclosed form of proxy is solicited by and on behalf of management of the Company.

This Management Proxy Circular, the accompanying Notice of Meeting and the enclosed form of proxy are to be mailed to shareholders on or about April 27, 2005.

All expenses incurred in connection with the preparation, printing and mailing of this Management Proxy Circular and the solicitation of proxies for use at the Meeting will be borne by the Company. In addition to solicitation by mail, the officers, directors and regular employees of the Company may, without additional compensation, other than reimbursement for out-of-pocket expenses, solicit proxies personally or by telephone.

No person is authorized to give any information or to make any representations other than those contained in this Management Proxy Circular and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

RECORD DATE AND VOTING SHARES

Voting Shares

The Company has an authorized capital consisting of an unlimited number of Common Shares without par value ("Common Shares"). As of April 14, 2005, 14,622,349 Common Shares were issued and outstanding as fully paid and non-assessable shares. Each outstanding Common Share is entitled to one vote.

Record Date

A holder of record of one or more Common Shares on the securities register of the Company at the close of business on April 12, 2005 (the "Record Date") who either attends the Meeting personally or deposits a properly completed form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have such share or shares voted at the Meeting, except to the extent that the shareholder has transferred the ownership of any such shares after the Record Date and the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred shares and makes a demand to the Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

VOTING BY NON-REGISTERED SHAREHOLDERS

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

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o CIBC Mellon Trust Company, Suite 1600, The Oceanic Plaza, 1066 Hastings Street, Vancouver, British Columbia, V6E 3K9 or 200 Queens Quay East, Unit 6, Toronto, Ontario, M5A 4K9.**

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

A Non-Registered Shareholder may revoke a form of proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares of the Company are held and following the instructions of the intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

PRINCIPAL HOLDERS OF VOTING SHARES

The following table sets forth information as of April 14, 2005, with respect to:

- a) all persons known by the Company to be the beneficial owners, directly or indirectly, of more than 10% of the Common Shares issued and outstanding on a non-diluted basis; and
- b) share ownership by the current directors and executive officers of the Company as a group.

<u>Name or Group and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Issued Shares Owned⁽¹⁾</u>	<u>% of Shares Outstanding</u>
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Ivanhoe Mines Ltd. ("Ivanhoe Mines") Vancouver, British Columbia	Direct	7,469,201 ⁽²⁾	51.08%
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Directors & Executive Officers as a Group	Indirect/Direct	568,066	2.96%
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(1) The information as to Common Shares beneficially owned, controlled or directed not being within the knowledge of the Company, its directors or officers, has been furnished by the respective shareholders or has been extracted from the register of shareholdings maintained by the Company.

(2) This number does not include warrants to purchase 833,333 Common Shares of the Company owned by Ivanhoe Mines

DIRECTORS AND OFFICERS INSURANCE

The Company has purchased directors and officers liability insurance with aggregate coverage in the amount of U.S.\$5,000,000. The aggregate premium for the insurance coverage was U.S.\$75,000. The coverage has a deductible of U.S.\$250,000 for securities claims and U.S.\$100,000 for all other claims.

EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided as at December 31, 2004, in respect of the President and Chief Financial Officer of the Company (collectively, the "Name Executive Officers"). No executive officers of the Company received annual compensation exceeding Cdn.\$150,000 in the year ended December 31, 2004.

During the year ended December 31, 2004, the aggregate compensation paid to all officers of the Company who received more than Cdn.\$40,000 in aggregate compensation during such period was Cdn.\$334,925.

Summary Compensation Table

The following table sets forth a summary of all compensation paid during the years ending December 31, 2002, 2003 and 2004 to each of the Named Executive Officers of the Company.

Named Executive Officers Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation
		Salary (Cdn.\$)	Bonus	Other Annual Compensation	Awards		Payouts	
					Securities Under Options/ SARs Granted (#)	Shares or Units Subject to Resale Restrictions	LTIP Payout	
David C. Owens President	2004	142,500 ⁽¹⁾	-	-	-	-	-	-
	2003	96,543 ⁽²⁾	-	-	200,000	-	-	-
	2002	67,106 ⁽²⁾⁽³⁾	-	-	-	-	-	-
Greg Shenton ⁽⁵⁾ Chief Financial Officer	2004	44,500	-	-	-	-	-	-
	2003	21,880 ⁽⁴⁾	-	-	50,000	-	-	-
	2002	-	-	-	-	-	-	-

(1) Effective on April 1, 2004, Mr. Owens is paid a salary at an annual rate of \$150,000. Prior to April 1, 2004, Mr. Owens was compensated pursuant to his Employment Agreement at an annual rate of \$120,000.

(2) Effective on August 1, 2003, Mr. Owens was paid a salary at an annual rate of \$120,000. Prior to August 1, 2003, Mr. Owens was compensated pursuant to a consulting arrangement by which he was paid a per diem rate. Substantially all of this compensation was accrued by the Company, and in September, 2003 the Company converted the outstanding balance of \$131,680 into Common Shares.

(3) For the ten month period ended December 31, 2002.

- (4) For the period commencing August 1, 2003, when Mr. Shenton was appointed Chief Financial Officer, until December 31, 2003.
- (5) Mr. Shenton is a part-time employee pursuant to an agreement with Global Mining Management Corporation (See: Interests of Informed Persons in Material Transactions).

Termination of Employment, Change in Responsibilities and Employment Contracts

As at December 31, 2004, the Company was party to an employment agreement with Mr. David C. Owens, one of the Named Executive Officers.

The Company's agreement with Mr. Owens provides for current salary and benefit entitlements. Mr. Owens' salary increased from Cdn.\$120,000 to Cdn.\$150,000 per annum effective April 1, 2004. The contract allows the Company to terminate the employee for cause and if this were to happen, the employee has no entitlement to claim any compensation with respect to the termination. The contract does not contain a change of control arrangement. If Mr. Owens is terminated without cause he is entitled to receive six months salary and benefits in lieu of notice. Mr. Owens' benefit programs are the same as those applicable to all of the Company's employees. Should he wish to resign, Mr. Owens shall give the Company not less than four weeks notice of his resignation. The Company may waive or abridge any notice period specified in such resignation notice at its discretion.

Compensation of Directors

Commencing April 1, 2005, independent directors are paid a modest cash retainer as compensation for acting as a director, including their roles on various committees of the Board. As a result, the Company pays to Mr. Pierre Lebel, the Chairman of the Board, a retainer of Cdn.\$1,500 per month and to Mr. Andre Deepwell, Chairman of the Audit Committee a retainer of Cdn.\$1,000 per month. Currently, no other fixed compensation is paid to directors of the Company for acting as such, although all directors have been granted, and will continue to receive from time, to time stock options. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to the Company's existing equity compensation plans as at December 31, 2004:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (Cdn.\$)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflecting in column (a))
Equity compensation plans approved by securityholders	2,015,000	\$2.04	585,000
Equity compensation plans not approved by shareholders	Nil	N/A	Nil
Total	2,015,000	\$2.04	585,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as that term is defined in applicable securities legislation, no director or executive officer of the Company, or associate or affiliate of any such director or executive officer, is or has been indebted to the Company or any of its subsidiaries since the beginning of the last completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Management Proxy Circular, no “informed person”, being an insider and the Company itself if it holds its own shares of the Company nor any associate or affiliate of an informed person of the Company, has any material interest, direct or indirect, in any material transaction since the commencement of the Company’s last financial year or in any proposed transaction, which, in either case, has materially affected or would materially affect the Company, other than as set out below.

On July 15, 2004, the Company extended the expiry date of warrants held by Ivanhoe Mines to purchase 833,333 of the Company’s Common Shares at a price of Cdn.\$1.32 per share previously issued to Ivanhoe Mines on July 31, 2003. Ivanhoe Mines now has until July 31, 2005 to exercise the warrants.

The Company is a party to a shareholders’ cost-sharing agreement with certain other public and private companies, including Ivanhoe Mines (the “Other Companies”) pursuant to which the Company and the Other Companies are equal shareholders in Global Mining Management Corporation (“GMM”) and, through GMM, share office space, furnishings and equipment and communications facilities (on a cost recovery basis) and the employment, on a part-time basis, of various administrative, office and management personnel in Vancouver, British Columbia. Costs of the shared office facilities and the shared part-time employees are recovered from the Company proportionate to the time spent by the shared part-time employees on matters pertaining to the Company. Certain of the directors and officers of the Company are also officers and directors of GMM. Certain key officers and office personnel of the Company are compensated through their role as employees of GMM, including the Chief Financial Officer and Corporate Secretary of the Company.

The Company is also party to a coal rights retention agreement (the “Coal Rights Agreement”) with Ivanhoe Mines, originally executed on July 31, 2003, whereby the Company reserved for Ivanhoe Mines the rights to all coal and coal related products on certain mineral exploration licenses previously held by Ivanhoe Mines and sold to the Company. The parties amended and restated the Coal Rights Agreement on January 31, 2005 to clarify the original intention that Ivanhoe Mines was to retain the full rights to any coal or coal related products located within either the Company’s or Ivanhoe Mines’ licensed property. The amended Coal Rights Agreement is set to expire July 31, 2053.

In October 2003, the Company and Ivanhoe Mines entered into a technical consulting agreement in which the Company could utilize Ivanhoe Mines Mongolian mineral exploration infrastructure on a cost recovery basis from time to time.

VOTES NECESSARY TO PASS RESOLUTIONS

Pursuant to the Articles of the Company, a quorum for the transaction of business at any meeting of shareholders is at least two members or proxyholders present at the commencement of the Meeting.

Under the Canada Business Corporations Act (“CBCA”) and its regulations, a simple majority of the votes cast at the Meeting is required to pass all ordinary resolutions. The CBCA further states that for a special resolution to be passed there must be a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of the special resolution or signed by all the shareholders entitled to vote on the special resolution.

Shareholders are entitled and will be asked to elect directors and appoint auditors for the ensuing year. If there are more nominees for election as directors or appointment as the Company’s auditors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Articles of the Company provide that the number of directors of the Company will be a minimum of three (3) and a maximum of ten (10). The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next Annual Meeting of the Company or, if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at April 14, 2005.

Name and Municipality of Residence	Position with Company	Principal Occupation During Past Five Years ⁽¹⁾	Common Shares beneficially owned, directly or indirectly ^{(1) (2)}
David C. Owens Richmond British Columbia Canada	President, Director (Director since February 14, 2002)	President, Asia Gold Corp. (March 2002 to present); President, 4287 Investments Ltd. (June 2000 to March 2002); President and Director, Asia Minerals Corp. (mineral exploration company) (1991 to June 2000)	568,066
Pierre B. Lebel ^{(3) (4) (5)} North Vancouver British Columbia Canada	Director, Chairman of the Board (Director since August 14, 2003)	Chairman, Imperial Metals Corporation (mining company) (January 2003 to present); President, Imperial Metals Corporation (December 2001 to January 2003); President, IEI Energy Inc. (formerly Imperial Metals Corporation) (1986 to March 2002)	5,000
Andre H. Deepwell ^{(3) (4) (5)} Burnaby British Columbia Canada	Director (Director since August 14, 2003)	Chief Financial Officer and Corporate Secretary, Imperial Metals Corporation (mining company) (April 2002 to present); Chief Financial Officer and Corporate Secretary, IEI Energy Inc. (formerly Imperial Metals Corporation) (1992 to March 2002)	5,000
Douglas J. Kirwin Townsville Australia	Director (Director since November 26, 2003)	Executive Vice-President, Exploration, Ivanhoe Mines Ltd. (mining company) (September 1995 to present)	Nil
R. Edward Flood ⁽⁵⁾ Sun Valley Idaho United States	Director (Director since August 14, 2003)	Deputy Chairman, Ivanhoe Mines Ltd. (mining company) (May 1999 to present); President, Ivanhoe Mines Ltd. (August 1995 to May 1999)	20,000
Peter G. Meredith ^{(3) (4)} Vancouver British Columbia Canada	Director (Director since August 14, 2003)	Chief Financial Officer, Ivanhoe Mines Ltd. (mining company) (June 1999 to November 2001 and 2004 to present); Chief Financial Officer, Ivanhoe Capital Corporation (venture capital company) (1996 to present)	10,000

(1) The information as to principal occupation, business or employment and shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Company and has been furnished by the nominee.

(2) Does not include unissued Common Shares issuable upon the exercise of incentive stock options.

(3) Indicates members of the Audit Committee.

(4) Indicates members of the Compensation and Benefits Committee.

(5) Indicates members of the Nominating and Corporate Governance Committee.

Mr. Lebel was a Director of Imperial Metals Corporation (“Old Imperial”) in 2002 when it implemented a Plan of Arrangement under the *Company Act* (British Columbia) and under the *Companies’ Creditors Arrangement Act* (Canada) which resulted in the separation of the mining and oil and gas businesses carried on by Old Imperial. The reorganization created two public corporations that are listed for trading on the Toronto Stock Exchange, the new Imperial Metals Corporation, and IEI Energy Inc. (now Rider Resources Ltd.) an oil and gas company.

Other than disclosed above, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Management Proxy Circular, or has been, within 10 years before the date of this Management Proxy Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) 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;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive 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; or
 - (iii) 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 Management Proxy 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.

Ivanhoe Mines has agreed that it will vote its Common Shares in the capital of the Company in favor of the election of David C. Owens as a director of the Company for so long as Mr. Owens remains an employee of the Company.

BOARD COMMITTEES

The Company’s Board of Directors has an Audit Committee, a Compensation and Benefits Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The mandate of the Audit Committee is to oversee the Company’s financial reporting obligations, systems and disclosure, including monitoring the integrity of the Company’s financial statements, monitoring the independence and performance of the Company’s external auditors and acting as a liaison between the Board of Directors and the Company’s auditors. The activities of the Audit Committee typically include reviewing interim financial statements and annual financial statements, ensuring that internal controls over accounting and financial systems are maintained and that accurate financial information is disseminated to shareholders, reviewing the results of internal and external audits and any change in accounting procedures or policies, and evaluating the performance of the Company’s auditors. The Audit Committee communicates directly with the Company’s external auditors in order to discuss audit and related matters whenever appropriate.

Information concerning the Audit Committee of the Company, as required by Multilateral Instrument 52-110, is provided in Schedule A to this Management Proxy Circular.

Compensation and Benefits Committee

The role of the Compensation and Benefits Committee is primarily to review the adequacy and form of compensation of senior management and the directors with such compensation realistically reflecting the responsibilities and risks of such positions, to administer the Company's equity incentive plan, to determine the recipients of, and the nature and size of share compensation awards granted from time to time, to determine the remuneration of executive officers and to determine any bonuses to be awarded.

The members of the Compensation and Benefits Committee are Messrs. Andre Deepwell, Peter Meredith and Pierre Lebel. The size of the Committee was increased from two to three directors in November, 2004, with Pierre Lebel being added to the Committee at that time.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board of Directors with respect to developments in the area of corporate governance and the practices of the Board of Directors. The Nominating and Corporate Governance Committee has expressly assumed responsibility for developing the Company's approach to governance issues. The Nominating and Corporate Governance Committee is also responsible for reporting to the Board of Directors with respect to appropriate candidates for nominations to the Board of Directors, and for overseeing the execution of an assessment process for the Board of Directors and its committees for evaluating the performance and effectiveness of the Board of Directors.

The Nominating and Corporate Governance Committee of the Company's Board of Directors currently consists of Messrs. Andre Deepwell, Edward Flood and Pierre Lebel. Mr. Meredith resigned from the Committee in November, 2004 and Mr. Flood was appointed in Mr. Meredith's place. The size of the Committee was increased from two to three directors in November, 2004, with Pierre Lebel being added at that time.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Company. The Board of Directors is committed to sound corporate governance practices against the guidelines for improved corporate governance in Canada adopted by the Toronto Stock Exchange (the "Existing TSX Guidelines"). Attached as Schedule B to the Management Proxy Circular is an analysis of the extent to which the Company complies with the fourteen (14) specific provisions that form the Existing TSX Guidelines.

APPOINTMENT OF AUDITORS

Deloitte & Touche LLP, Chartered Accountants, will be nominated at the Meeting for re-appointment as auditors of the Company at a remuneration to be fixed by the directors. Deloitte & Touche LLP have been auditors of the Company since August 14, 2003.

OTHER BUSINESS

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company's Corporate Secretary at Suite 654 – 999 Canada Place, Vancouver, British

Columbia, Canada, V6C 3E1 by mail, telephone (604-681-6799) or facsimile (604-682-2060) to request copies of the Company's financial statements and Management's Discussion & Analysis "MD&A").

Financial information for the Company's most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR.

DIRECTORS' APPROVAL

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board of Directors of the Company.

DATED at Vancouver, British Columbia, this 14th day of April, 2005.

BY ORDER OF THE BOARD

"Beverly A. Bartlett"

Beverly A. Bartlett
Corporate Secretary

**SCHEDULE A
AUDIT COMMITTEE MATTERS**

Composition of the Audit Committee

The Company's Audit Committee consists of Messrs. Andre Deepwell, Pierre Lebel and Peter Meredith. Mr. Deepwell is the Chairman of the Audit Committee. The Board of Directors has determined that Pierre Lebel and Andre Deepwell are "independent" of the Company and all members of the Audit Committee are "financially literate" as defined in Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee.

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

Pre-approval from the Audit Committee can be sought for planned engagements based on budgeted or committed fees. No further approval is required to pay pre-approved fees. Additional pre-approval is required for any increase in scope or in final fees.

Audit Fees

Deloitte & Touche LLP has served as the Company's auditing firm since August 14, 2003. Fees billed by Deloitte & Touche LLP during 2004 and 2003 were Cdn.\$33,000 and Cdn.\$71,000 respectively. The aggregate fees billed or expected to be billed by the auditors in fiscal 2004 and fiscal 2003 are detailed below.

(Canadian \$ in 000's)

	<u>2004</u>	<u>2003</u>
Audit Fees (a)	\$73	\$71
All Other Fees	-	-
TOTAL	<u>\$73</u>	<u>\$71</u>

- a) Fees for audit services billed or expected to be billed relating to fiscal 2004 and fiscal 2003 consisted of:
- audit of the Company's annual statutory financial statements
 - reviews of the Company's quarterly financial statements
 - comfort letters, consents, and other services related to Canadian securities regulatory authorities' matters

Exemption

The Company is relying upon the exemption in Section 6.1 of Multilateral Instrument 51-110 Incorporation by Reference.

Audit Committee Charter

I. Purpose

The primary objective of the Audit Committee (the "Committee") of Asia Gold Corp. (the "Company") is to act as a liaison between the Board and the Company's independent auditors (the "Auditors") and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the Auditors and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

II. Organization

The Committee shall consist of three or more directors of the Company and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The Chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to sub-committees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require, but not less frequently than four times per year. The Committee shall meet at least quarterly with management, the Company's financial and accounting officer(s) and the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Chair of the Committee shall be an independent Chair who is not Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a Chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a Secretary who will keep minutes of all meetings. The Secretary may be the Company's Corporate Secretary or another person who does not need to be a member of the Committee. The Secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

The Committee shall have the following responsibilities:

(a) Auditors

1. Recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting and the remuneration to be paid to the Auditors for services performed during the preceding year; approve all auditing services to be provided by the Auditors; be responsible for the oversight of the work of the Auditors, including the resolution of disagreements between management and the Auditors regarding financial reporting; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
5. Take reasonable steps to confirm the independence of the Auditors, which include:
 - (a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
 - (b) Considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;
 - (c) Approving in advance any non-audit related services provided by the Auditor to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and

- (d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.
- 6. Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services.
- 7. Confirm with the Auditors and receive written confirmation at least once per year (i) indicating that the Auditors are a member in good standing with the Canadian Public Accountability Board ("CPAB") and comparable bodies elsewhere to the extent required and disclosing any sanctions or restrictions imposed by the CPAB and such other comparable bodies; and (ii) responding to any other reasonable request of the Audit Committee for confirmation as to their qualifications to act as the Company's Auditors.
- 8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
- 9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, stock exchange or other regulatory requirements.
- 10. Receive all recommendations and explanations which the Auditors place before the Committee.

(b) *Financial Statements and Financial Information*

- 11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
- 12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.
- 13. Review any earnings press releases of the Company before the Company publicly discloses this information.
- 14. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.
- 15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
 - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;
 - (b) the management letter provided by the Auditor and the Company's response to that letter; and
 - (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.

16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.
17. Prepare any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.

(c) *Ongoing Reviews and Discussions with Management and Others*

18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
19. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
23. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.
25. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).
26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the

Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

27. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

(d) Risk Management and Internal Controls

28. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.
29. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review and assess the effectiveness of such systems.
30. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk.
31. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.
32. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
33. Review the internal control reports prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting and (ii) the Auditors' attestation, and report, on the assessment made by management.
34. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

(e) Other Responsibilities

35. Create an agenda for the ensuing year and confirm a timetable for the Audit Committee for the ensuing year.
36. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
37. Review and approve (a) any change or waiver in the Company's code of ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.
38. Establish, review and approve policies for the hiring of employees or former employees of the Company's Auditors.

39. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.
40. Review its own performance annually, seeking input from management and the Board.
41. Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.

SCHEDULE B

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

TSX Corporate Governance Guideline	Does the Company Align?	Comments
1. <i>Mandate of the board</i>		
The board of directors of every corporation should explicitly assume responsibility for stewardship of the corporation.	Yes	The board of directors has assumed responsibility for the stewardship of the Company and has adopted a formal mandate setting out its stewardship responsibilities.
<p>As part of the overall stewardship responsibility, the board should assume responsibility for the following matters:</p> <p>(a) adoption of a strategic planning process;</p>	Yes	<p>The board has adopted a strategic planning process in which it has assumed responsibility for ensuring there are long-term goals and strategies in place for the Company. The board meets at least quarterly, and reviews and assists management in forming short and long term objectives of the Company. The board as a whole participates in discussions on corporate strategy.</p> <p>The board reviews strategic plans proposed by management on an ongoing basis. The board also maintains oversight of management's strategic planning initiatives through annual budget reviews and approvals. The strategic planning process adopted by the board takes into account, among other things, the opportunities and risks of the business.</p>
(b) the identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;	Yes	In order to ensure that the principal business risks borne by the Company are identified and appropriately managed, the board receives periodic reports from management of the Company's assessment and management of such risks. In conjunction with its review of operations which takes place at each board meeting, the board considers risk issues and approves corporate policies addressing the management of the risk of the Company's business.
(c) succession planning,	No	While the Company has no formal

TSX Corporate Governance Guideline	Does the Company Align?	Comments
including appointing, training and monitoring senior management;		succession plan, it has a strong and experienced senior management team comprised of individuals who are capable of assuming greater responsibility should the need arise. The board takes ultimate responsibility for the appointment and monitoring of the Company's senior management. The board approves the appointment of senior management and reviews their performance on an ongoing basis.
(d) a communication policy for the corporation;	Yes	The Company has a disclosure policy addressing, among other things, how the Company interacts with analysts and the public, and contains measures for the Company to avoid selective disclosure. The Company has a Corporate Disclosure, Confidentiality and Securities Trading Committee responsible for overseeing the Company's disclosure practices. This committee consists of the President, the Chief Financial Officer, the Vice President of Exploration, the Corporate Secretary and senior corporate communications and investor relations personnel, and receives advice from the Company's legal counsel. This committee assesses materiality and determines when developments justify public disclosure. The committee will review the disclosure policy annually and as otherwise needed to ensure compliance with regulatory requirements. The board also reviews and approves the Company's disclosure documents, including its offering documents and management proxy circular. The Company's annual and quarterly financial reports (including Management's Discussion and Analysis), and other financial disclosure is reviewed by the Audit Committee and recommended to the board prior to its release.
(e) the integrity of the corporation's internal control and management information systems.	Yes	The Audit Committee has the responsibility to monitor and assess the integrity of the Company's internal controls and management information systems, review them with management and the Company's external auditors, and report to the board with respect thereto.

TSX Corporate Governance Guideline	Does the Company Align?	Comments
2. <i>Composition of the board</i>		
<p>The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors.</p>	Yes	<p>At the date of this Management Proxy Circular, five of the six members of the board of directors are “unrelated”, as that term is defined in the Existing TSX Guidelines. The board is, therefore, presently constituted with a majority of individuals who qualify as unrelated directors.</p> <p>The definitions under the Existing TSX Guidelines are as follows:</p> <ul style="list-style-type: none"> - a director who is independent of management and is free from any interest and any business or other relationship which could, or reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interest of the company, other than interests and relationships arising from shareholding. <p>A “related director” is a director who is not an unrelated director or is a member of management.</p>
<p>If the corporation has a significant shareholder, in addition to a majority of unrelated directors, the board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder.</p>	No	<p>Ivanhoe Mines is a “significant shareholder”, and three of the Company’s directors are senior officers of Ivanhoe Mines. The Company has ensured that there is some representation on the Board of Directors independent of both the Company and the significant shareholder, with two directors serving in that capacity.</p> <p>The Company anticipates that as it matures as a business enterprise with projects advancing to the development stage, it will identify additional qualified candidates that have experience relevant to the Company’s needs, are independent of the Company and Ivanhoe Mines and are considered independent under the corporate governance rules and recommendations of applicable Canadian securities laws.</p>
<p>Disclose for each director whether he or she is related, and how that conclusion was reached.</p>		<p>Mr. Owens is considered to be a related director in his capacity as member of the Company’s senior management.</p> <p>Messrs. Flood, Meredith and Kirwin are</p>

TSX Corporate Governance Guideline	Does the Company Align?	Comments
		<p>considered to be unrelated directors, as defined in the Existing TSX Guidelines. Each of Messrs. Flood, Meredith and Kirwin are senior officers and, in the case of Messrs. Flood and Meredith, directors of Ivanhoe Mines. The Company has considered its relationship with Ivanhoe Mines in general, and views the influence of Ivanhoe Mines to be derived principally from its position as a majority shareholder of the Company. The Board has determined that they act independent of management of the Company. Accordingly, while these directors may not necessarily be considered “independent” under corporate governance guidelines of certain Canadian securities laws, they meet the definition of “unrelated” under the Existing TSX Guidelines.</p> <p>Messrs. Lebel and Deepwell are both unrelated to the Company and have no material connection to the Company other than their role as directors.</p>
<p>4. <i>Nominating/Corporate Governance Committee</i></p>		
<p>The board of directors of every corporation should appoint a committee of directors composed exclusively of outside (i.e. non-management) directors, a majority of whom are unrelated, with the responsibility of proposing to the full board new nominees to the board and for assessing directors on an ongoing basis.</p>	<p>Yes</p>	<p>The board has a Nominating and Corporate Governance Committee consisting of Messrs. Flood, Lebel and Deepwell, all of whom are unrelated directors, as defined in the Existing TSX Guidelines. Mr. Deepwell has been appointed as Chairman of the committee. The full board will determine, in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities it should seek in new board members in order to add value to the Company. Based on this framework, the Nominating and Corporate Governance Committee has responsibility for proposing to the full board new nominees to the board, and for assessing directors on an ongoing basis.</p>
<p>5. <i>Board Assessment</i></p>		
<p>Every board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the</p>	<p>No</p>	<p>The Nominating and Corporate Governance Committee is continuing to develop an assessment process appropriate for the board and each of its committees.</p>

TSX Corporate Governance Guideline	Does the Company Align?	Comments
board, as a whole, the committees of the board and the contribution of individual directors.		
6. <i>Orientation and Education</i>		
Every corporation, as an integral element of the process of appointing new directors, should provide an orientation and education program for new recruits to the board.	Yes	The Company takes steps to ensure that prospective directors fully understand the role of the board and its committees and the contribution individual directors are expected to make, including, in particular, the commitment of time and energy that the Company expects of its directors. New directors receive a comprehensive information package, including pertinent corporate documents and a director's manual containing information on the duties, responsibilities and liabilities of directors. New directors are also briefed by management as to the status of the Company's business.
7. <i>Size and Composition of the board</i>		
Every board of directors should examine its size and undertake, where appropriate, a program to establish a board size which facilitates effective decision-making.	Yes	The Nominating and Corporate Governance Committee examines the size and composition of the board on an ongoing basis with a view to recommending adjustments to ensure that the board has a balanced representation among management, the Company's major shareholder and independent directors, and is of a size that facilitates effective decision-making, given the Company's stage of development and the size and complexity of its business.
8. <i>Compensation</i>		
The board of directors should review the adequacy and form of compensation of directors and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director.	Yes	<p>The Company pays a nominal cash retainer to its independent directors for acting in such capacity. No fees or commissions are paid to the related directors or the directors associated with Ivanhoe Mines. All directors of the Company are given compensation through the grant of stock options.</p> <p>The board acts through its Compensation and Benefits Committee to review the adequacy and form of compensation of the directors and ensure that such compensation</p>

TSX Corporate Governance Guideline	Does the Company Align?	Comments
		realistically reflects the responsibilities and risk involved in being an effective director. The members of the Compensation Committee are Messrs. Deepwell, Meredith and Lebel, all of whom are unrelated directors.
9. <i>Composition of Committees</i>		
Committees of the board of directors should generally be composed of outside (i.e. non-management) directors, the majority of whom are unrelated directors, although some board committees may include one or more inside directors.	Yes	The board of directors has established three standing committees of directors (the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee). Each committee is composed entirely of unrelated directors, although each committee has a member that is a senior officer of the Company's majority shareholder.
10. <i>Governance Committee</i>		
Every board of directors should assume responsibility for, or assign to a committee of directors, the general responsibility for, developing the corporation's approach to governance issues. This committee would, among other things, be responsible for the corporation's response to the TSX Guidelines.	Yes	The Nominating and Corporate Governance Committee is responsible for making recommendations to the board relating to the Company's approach to corporate governance and the Company's response to the Existing TSX Guidelines.
11. <i>Position Descriptions</i>		
The board of directors, together with the CEO, should develop position descriptions for the board and for the CEO, including the definition of limits to management's responsibilities.	Yes	The board of directors has adopted a formal mandate for the board, as stated in Item 1, and has developed a formal position description for its President. The board of directors requires management to obtain the board of directors' approval for all significant decisions, including major financings, acquisitions, dispositions, budgets and capital expenditures. The board of directors requires management to keep it aware of the Company's performance and events affecting the Company's business. The board of directors retains responsibility for any matter that has not been delegated to senior management or to a committee of directors.

TSX Corporate Governance Guideline	Does the Company Align?	Comments
<p>In addition, the board should approve or develop the corporate objectives which the CEO is responsible for meeting.</p>	<p>Yes</p>	<p>The board has imposed upon its President a mandate to identify and evaluate prospective mineral properties for the purpose of acquiring or developing a significant mineral deposit for the Company. The Board has vested the President with that responsibility and reviews the President's progress to ensure he is carrying out this objective.</p>
<p>12. <i>Procedures to Ensure Independence</i></p>		
<p>Every board of directors should implement structures and procedures which ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities; or (ii) assign this responsibility to an outside director, sometimes referred to as the "lead director". The chair or lead director should ensure that the board carries out its responsibilities effectively, which will involve the board meeting on a regular basis without management present and may involve assigning the responsibility for administering the board's relationship to management to a committee of the board.</p>	<p>Yes</p>	<p>Mr. Lebel, an independent, unrelated director, currently serves as Chairman of the board of directors.</p> <p>The board has the ability to function independently of management through the mandate described in item 11 above.</p> <p>The board or members of the board meet from time to time without management and management directors being present to discuss Company business. All committees may meet without management or related directors being present at the request of any directors.</p>
<p>13. <i>Composition of the Audit Committee</i></p>		
<p>The audit committee of every board of directors should be composed only of unrelated directors.</p>	<p>Yes</p>	<p>The Audit Committee consists of Messrs. Meredith, Deepwell and Lebel, and is therefore composed of all unrelated and a majority of independent directors.</p> <p>The board has determined that all members of the Audit Committee are financially literate, since each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably</p>

TSX Corporate Governance Guideline	Does the Company Align?	Comments
		be expected to be raised by the Company's financial statements.
<p>The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties.</p>	Yes	<p>The mandate of the Audit Committee includes the overseeing of the Company's financial reporting obligations, systems and disclosure, including monitoring the integrity of the Company's financial statements, monitoring the independence and performance of the Company's external auditors and acting as a liaison between the board and the Company's auditors. The activities of the Audit Committee include reviewing the Company's interim financial statements and annual financial statements and Management's Discussion and Analysis, ensuring that internal controls over accounting and financial systems are maintained and that accurate financial information is disseminated to shareholders, reviewing the results of audits and any change in accounting procedures or policies, and evaluating the performance of the Company's auditors.</p> <p>The Company has adopted an Audit Committee charter which codifies the mandate of the Audit Committee to, and specifically defines its relationship with, and expectations of, the external auditors, including the establishment of the independence of the external auditor and the approval of any non-audit mandates of the external auditor; the engagement, evaluation, remuneration and termination of the external auditor; its oversight of internal controls; and the disclosure of financial and related information. The Audit Committee will review and reassess the adequacy of the Audit Committee charter on an annual basis.</p>
<p>The audit committee should have direct communication channels with the internal and the external auditors to discuss and review specific issues as appropriate.</p>	Yes	<p>The Audit Committee has regular access to the Chief Financial Officer of the Company. The external auditors regularly attend all meetings of the Audit Committee. At each meeting of the Audit Committee, a portion of the meeting is set aside to discuss matters with the external auditors without</p>

TSX Corporate Governance Guideline	Does the Company Align?	Comments
		management being present. In addition, the Audit Committee has the authority to call a meeting with the external auditors without management being present, at the committee's discretion.
<p>Audit Committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.</p>	Yes	The Audit Committee oversees management reporting on the Company's internal controls.
15. <i>External Advisors</i>		
<p>The board of directors should implement a system which enables individual directors to engage an outside advisor, at the expense of the company in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.</p>	Yes	Each committee is empowered to engage external advisors as it sees fit. Any individual director is entitled to engage an outside advisor at the expense of the Company provided that such director has obtained the approval of the Nominating and Corporate Governance Committee to do so.