

## **Directors' Responsibilities and Committees**

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Company. The Board discharges its responsibilities directly and through its committees - the Audit Committee, the Corporate Governance Committee, and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board may delegate to its committees matters for which the Board is responsible, to the extent such delegation is permitted by law. Notwithstanding the delegation of any of its responsibilities to a committee, the Board retains its oversight function and ultimate responsibility for all delegated matters. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives. Other principal duties include, but are not limited to, the following:

1. Selecting, appointing, evaluating and (if necessary) terminating the Chief Executive Officer.
2. Adopting a strategic planning process, approving strategic plans, and monitoring performance against plans.
3. Reviewing and approving annual operational budgets, budget limits and corporate objectives, and monitoring performance on each of the above.
4. Reviewing policies and procedures to identify business risks, and ensure that systems and actions are in place to monitor them.
5. Reviewing policies and processes to ensure that the Corporation's internal control and management information systems are operating properly.
6. Approving the annual financial statements, management discussion and analysis of financial condition, and annual information form and making a recommendation to shareholders for the appointment of auditors.
7. Approving the Corporation's code of business conduct and ethics, monitoring compliance with the code and granting any waivers from the code for the benefit of directors or officers of the Corporation in accordance with applicable requirements of the securities regulatory authorities or the Exchanges
8. Assessing the contribution of the Board members annually, and planning for succession of the Board.
9. Evaluating the relevant relationships of each independent director and making an affirmative determination that such relationship does not preclude a determination that the director is independent.
10. Arranging formal orientation programs for new directors, where appropriate, and a continuing education program for all directors.
11. Reviewing and approving the compensation of members of the senior management team, as well as corporate objectives and goals applicable to each member, in order to ensure that the compensation is competitive within the industry.
12. Ensuring that an adequate system of internal control is maintained to safeguard the Corporation's assets and the integrity of its financial and other reporting systems.
13. Ensuring that there is in place a system of internal disclosure controls and procedures that sets out the Corporation's disclosure policy and mandates activities relating to public disclosure, ensures all material information is properly gathered, reviewed and disseminated, and monitors and evaluates compliance with, and the effectiveness of, such controls and procedures.
14. Adopting a process for shareholders and other interested parties to communicate directly with the Board or the independent directors of the Board, as appropriate.
15. Reviewing and considering for approval all amendments or departures proposed by management from established strategy, capital and operating budgets, or matters of policy, which diverge from the ordinary course of business.
16. Ensuring that a process is established that adequately provides for management succession planning, including the appointing, training, and monitoring of senior management.
17. In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-laws and other statutory and regulatory requirements.

## **Committees of the Board**

There are three committees of the board composed of outside directors, a majority of whom are unrelated, described as follows:

The **Audit Committee**, with duties outlined below, is comprised of unrelated directors. The committee is responsible for all matters related to the preparation, reporting and auditing of the financial performance of the Corporation both internally and to its shareholders. Included as its principal concerns and responsibilities the Audit Committee is required to:

1. To satisfy itself that the Corporation's annual financial statements are fairly presented in accordance with generally accepted accounting principles consistent with the Corporation's international operations; to review the annual financial statements with the auditors for the Corporation; and to make recommendations to the board on the presentation and approval of the annual financial report to the shareholders and the report of the auditors contained therein.
2. To ensure that any information contained in the Corporation's financial publications such as a prospectus, the annual information form and the management's discussion of financial condition and results of operations which accompanies the financial statements, is correct and complete.
3. To review the unaudited quarterly financial statements with management and if appropriate, the external auditors, and to approve on behalf of the board the information in the unaudited quarterly financial statements prior to publication.
4. To ensure that the external audit function has been effectively carried out and that any matter which the external auditors wish to bring to the board's attention has been addressed. The Committee will also recommend to the board the appointment of the external auditors and their remuneration.
5. To review significant income tax planning initiatives to be implemented by management.

The **Compensation Committee** is comprised of unrelated directors. The committee is responsible for all matters related to establishing the compensation of and contracts with senior management of the Corporation, including the consideration of specific contract terms and terms and conditions consistent with industry practice. It has overall responsibility for policies on performance reviews, the stock option plan, allocation decisions on stock options and matters related to compensation contracts and benefits.

The **Corporate Governance Committee** is comprised of unrelated directors. The Committee is responsible for all corporate governance issues involved in a publicly traded company including those arising from its exploration and mining activities and in complying with all of the regulatory, safety and environmental requirements. The board views corporate governance as an on-going process and reviews and implements related policies accordingly.