



Corporate Governance Principles and Guidelines

The Board of Directors (“Board”) is responsible for the supervision of the management of the Company and for approving the overall direction of the Company in a manner that is in the best interests of the Company and its stakeholders. The Board will participate fully in assessing and approving strategic plans and material prospective decisions proposed by management. To ensure that the principal business risks that are borne by the Company are appropriate, the Board will receive periodic reports from management on the Company’s assessment and management of such risks. The Board will regularly monitor the financial performance of the Company, including receiving and reviewing detailed financial information contained in management reports.

The Board will monitor the activities of the senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board will hold regular meetings at least four times per year. Additional meetings will be held to address special items of business.

It is a requirement of these Principles and Guidelines that:

- the Board adopt a Corporate Communications Policy;
- the Board adopt an Audit Committee Charter; and
- the Board directly and through its Audit Committee, regularly assess the integrity of the Company’s internal control and management information systems.

Composition and Independence of the Board of Directors

It is a requirement of these Principles and Guidelines that (i) the Board determine the status of each director as an “independent” director, based on the meaning of “independence” in National Instrument 58-101 Disclosure of Corporate Governance Practices and Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended, (ii) the Board be constituted with a majority of directors who are independent, (iii) the Board examine its size and composition with a view to determining the impact of the number of directors and the qualifications of such directors upon the effectiveness of the Board, (iv) the Board establish procedures to enable the Board to function independently of management and (v) the Board implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances.

Committees of the Board of Directors

These Principles and Guidelines require that (i) committees of the Board generally be composed of independent directors, (ii) the Board expressly assume responsibility, or assign to a committee of directors responsibility, for the development of the Company’s approach to governance issues, (iii) the Audit Committee be composed of independent directors all

financially literate, and (iv) a Corporate Governance Nomination and Compensation Committee be established to review, report and, where appropriate, provide recommendations to the Board on (a) proposing new nominees to the Board and other succession planning matters, including in conjunction with the Board, (b) monitoring the performance and compensation of senior management, (c) assessing directors on a on-going basis, and (d) monitoring corporate governance issues, and where appropriate, recommending to the Board, changes in corporate governance policies.

Board and Committee Meetings

Directors are expected to prepare for and use reasonable efforts to participate in all Board meetings and meetings of committees on which they serve. The Board and each committee shall meet as frequently as necessary to properly discharge their responsibilities.

The Chair, in consultation with the Chief Executive Officer and the Corporate Secretary, shall prepare the agenda for each Board meeting. While the agenda will initially be set by the Chair of the Board, each director is free to suggest the inclusion of items on the agenda.

Information and data that are important to the Board's understanding of the business to be conducted at a Board meeting should, to the extent practical, be distributed in writing to the directors sufficiently in advance of the meeting to permit meaningful review, and directors are expected to review in detail the provided materials in advance of each meeting.

Membership on Other Boards

Directors and Officers of the Company are strongly encouraged to inform the Chair of the Board and the Chair of the Corporate Governance Nomination and Compensation Committee in advance of accepting an invitation to serve on another public company board. Directors and Officers of the Company will be discouraged from accepting invitations to sit on other public company boards if, in the view of the Board, accepting such invitation would interfere with the Director or Officer's ability to discharge its duties to the Company. The Board will generally make such a determination primarily with reference to the number of additional public company boards on which the Director/Officer in question sits, although other factors will be considered as circumstances warrant.

Director Orientation and Continuing Education

All new directors shall be provided with copies of the Company's various corporate governance policies and will participate in the Company's orientation initiatives as soon as practicable after being elected or appointed. The initiatives may include presentations by senior management and outside advisors as appropriate to familiarize new directors with the Company's business, its strategic plans, its significant financial, accounting and risk management issues and its compliance programs as well as their fiduciary duties and responsibilities as directors.

Limitation of Management's Responsibilities and Authority

The mandate of the Chief Executive Officer ("CEO") is to be responsible for managing the day-to-day operations of the Company, which includes the supervision of the senior management team, the Company's outside consultants and exploration staff. The CEO is responsible for the implementation of the Company's corporate objectives and the resolutions of the Board and the appropriate and timely feedback of the results of these efforts.

Recruitment of New Directors and Assessment of Board Performance

These Principles and Guidelines require that, in conjunction with the Corporate Governance Nomination and Compensation Committee, (i) the Board implement a process for assessing the effectiveness of the Board and the committees of the Board and the contribution of individual directors, (ii) the Company provide an orientation and education program for new directors, and (iii) the Board review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.