



## **BOARD OF DIRECTORS MANDATE**

### **GENERAL**

Under applicable federal and provincial corporate law in Canada, the board of directors of the Company (the “Board”) is responsible for the management of the business and affairs of the Company and has a duty to act honestly, in good faith and in the best interests of the Company and its shareholders. The Board may discharge its responsibilities directly but will delegate certain responsibilities to committees of the Board and to the senior officers and management of the Company. The Board may appoint such officers and committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own mandate or charter and the Board will provide senior officers and management with position descriptions to guide them in discharging their duties.

Responsibility for day to day management of the business and affairs of the Company will generally be placed in the hands of the President and Chief Executive Officer (CEO) of the Company. The President and CEO will be responsible for the management of the Company in accordance with the strategic plans, objectives and policies set by the Board. The Board will be responsible for overseeing the activities of senior management in order to ensure that the plans and policies set by the Board are being adhered to and that the goals and objectives set by the Board are being met.

The Board shall meet regularly, but not less than once each quarter, to review the business operations and financial results of the Company and to assess its corporate governance practices. The members of the Board and the committees established by the Board are expected to attend all meetings of the Board or committee as applicable and to have reviewed materials to be discussed or reviewed at such meetings in advance.

The primary functions of the Board are to:

- perform its duties and responsibilities in accordance with the laws of the Province of British Columbia (the Company’s jurisdiction of incorporation) and the laws of Canada applicable therein;
- oversee and monitor the performance of the Company in the context of its goals and objectives and the long term interests of its shareholders and other stakeholders;
- promote a culture of honesty, integrity and ethical conduct within the Company; and
- together with management of the Company and in accordance with applicable corporate and securities laws, develop policies which ensure the timely and accurate disclosure of material information respecting the Company.

## **BOARD COMPOSITION**

The Board shall be comprised of such number of directors as is appropriate for its stage of development and the scope of activities which the Company is undertaking at any given time. The Board shall endeavor to nominate a group of directors sufficient in number and with sufficiently varied backgrounds and expertise as is necessary to manage the business and affairs of the Company in a manner which is both efficient and appropriate given the Company's stage of development and strategic objectives.

A majority of the members of the Board shall be "independent directors" within the meaning of National Policy 58-201 *Corporate Governance Guidelines*. Pursuant to National Policy 58-201, a director is independent if he or she has no direct or indirect material relationship with the issuer of which he/she is a director. A "material relationship" is one which could be reasonably expected to interfere with the exercise of an individual's independent judgment.

## **RESPONSIBILITIES**

The Board, directly and through its committees, will be responsible for the following:

### **Selecting and Monitoring Senior Management**

- selecting and appointing qualified individuals to act as the Company's President, Chief Executive Officer and Chief Financial Officer, and such other officers or management personnel as, in the Board's view, may be required to effectively manage the Company's affairs;
- satisfying itself as to the integrity of the CEO, CFO and other members of management and ensuring that these individuals create a culture of integrity throughout the Company;
- evaluating, on at least an annual basis, the performance of the CEO, CFO and other members of management of the Company;
- with the input of the Corporate Governance Nomination and Compensation Committee, determining appropriate compensation for the CEO, CFO and other members of management;
- providing guidance and counsel to the CEO in connection with the exercise of his/her duties and assisting the CEO in his/her efforts to implement the strategic plan and achieve the goals and objectives established by the Board;
- developing adequate orientation and training programs for senior officers and other members of management and ensuring that management is aware of recent developments in the Company's industry by encouraging participation in ongoing continuing education activities;
- planning for senior management succession;

### **Strategic Planning**

- setting goals and objectives for the growth and development of the Company and developing a strategic plan to facilitate the achievement of those goals and objectives;
- reviewing and approving on an annual basis the Company's strategic plan, which should take into account the goals and objectives for the growth and development of the Company set by the Board as well as the opportunities and risks of the Company's business;

- monitoring the implementation of the Company's strategic plan by the CEO and other members of the Company's management group and initiating corrective action where required;
- preparing an annual budget for the Company which is sufficient to enable the Company to undertake the activities and meet the objectives set out in the Company's strategic plan and which deploys the financial resources of the Company in a prudent, efficient and cost effective manner;
- reviewing with the Company's CEO, CFO and other members of management material transactions outside of the ordinary course of the Company's business and other major corporate actions which require Board approval;
- reviewing and discussing with the Company's CEO, CFO and other members of management significant risks which can affect the Company and the systems that have been put in place to manage such risks;

### **Committees**

- appointing appropriate committees of the Board and delegating responsibilities for specific functions to such committees;
- selecting committee members with expertise in the area of the delegated responsibility of the committee in question and providing written charters or mandates to guide the committees in the performance of their duties;
- such committees will for the time being include an Audit Committee and a Corporate Governance Nomination and Compensation Committee;
- considering the advice, proposals and recommendations of the various committees of the Board when making Board decisions;

### **Control Over Financial Reporting**

- with the assistance of the Company's Audit Committee, selecting an auditor for appointment at the Company's annual meeting;
- reviewing, on an annual basis, the performance of the Company's auditors;
- with the assistance of the Audit Committee, reviewing the quality and adequacy of the Company's internal controls over financial reporting and management information systems, with a view to ensuring that financial information prepared for public dissemination is complete and accurate and fairly reflects the Company's financial condition;
- with the assistance of the audit committee, reviewing and approving unaudited quarterly and audited annual financial statements of the Company and annual and quarterly management discussion and analysis prepared in connection with financial statements;
- ensuring that financial information, including the financial statements and management discussion and analysis referred to above, is adequately reported to shareholders and to the public on a timely and regular basis;

### **Regulatory Compliance**

- implementing systems to ensure compliance with applicable corporate and securities laws, regulations and policies, the rules and policies of any exchange(s) on which the Company's shares are listed and any other applicable regulatory regimes;

- implementing systems to ensure timely and accurate disclosure of material information respecting the Company's affairs, regardless of whether such information is adverse or favourable;
- developing and implementing a comprehensive set of corporate governance principles and guidelines with a view to ensuring that the Company meets applicable corporate and securities law requirements and industry standards in this area;
- establishing and maintaining (through periodic review and corrective action where necessary) the integrity of the Company's internal control systems and disclosure control systems and procedures;
- establishing and monitoring compliance with the policies and procedures of the Company, including but not limited to, the Company's code of business conduct and ethics, corporate governance principles and guidelines, communications policy, whistleblower policy, environmental policy, health and safety policy and various committee charters and mandates;
- implementation and maintenance of environmental stewardship and health and safety management systems that are consistent with industry practices and comply with the applicable laws and regulatory requirements in the communities where the Company conducts its business;

### **Board Assessment**

- assessing the effectiveness of the Board, its committees and each individual director, on a periodic basis (with at least one review annually);
- considering whether the size of the Board is appropriate given the stage of development of the Company's business;
- considering the independence of each individual Board member to ensure that the Board as a whole meets independence requirements set out in applicable corporate and securities laws;
- establishing an appropriate selection and review process for new nominees to the Board;
- adopting an appropriate orientation and education program for new members of the Board;
- establishing appropriate compensation for Board members based on the advice and recommendations of the compensation committee;

### **Miscellaneous**

- performing such other functions as prescribed by law or assigned to the Board in the Company's articles; and
- reviewing this mandate from time to time and making any changes which the Board deems appropriate based on the circumstances of the Company or changes to corporate governance practices and standards mandated or rendered advisable by changes in applicable corporate and securities laws or evolving industry standards and practices.