

# **CHARTER OF THE BOARD OF DIRECTORS**

## **OF**

### **MANGAZEYA MINING LTD**

#### **1. Purpose**

MANGAZEYA MINING LTD (hereinafter the “**Company**”) Board of Directors is ultimately responsible for the supervision of the management of, the business and affairs of the Company and must act in the best interests of the Company. The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of an Audit Committee and Remuneration Committee. Other than the above mentioned committees may be established by the decision of the Board of Directors. The Board of Directors shall meet regularly to review the business operations, corporate governance and financial results of the Company. Meetings of the Board of Directors shall include regular meetings with management to discuss specific aspects of the operations of the Company.

#### **2. Responsibilities**

The Board of Directors’ responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- Reviewing and approving all annual and interim financial statements and related footnotes, management’s discussion and analysis, earnings releases and the annual information form.
- Approving the declaration of dividends, the purchase and redemption of securities, acquisitions and dispositions of material capital assets and material capital expenditures.
- Appointing a Chair of the Board of Directors who will be responsible for the leadership of the Board of Directors.
- The assignment to committees of directors of the general responsibility for developing Company’s approach to: (i) corporate governance issues, (ii) nomination of board members; (iii) financial reporting and internal controls; (iv) environmental compliance; (v) health and safety compliance; (vi) risk management; and (vii) issues relating to compensation of officers and employees.
- Succession planning, including the selection, appointment, monitoring, evaluation and, if necessary, the replacement of the Chief Executive Officer and other executives, and assisting in the process so that management succession is, to the extent possible, effected in a manner so as not to be disruptive to Company’s operations. The Board will, as part of this function,

satisfy itself as to the integrity of the Chief Executive Officer and other executives and that such Chief Executive Officer and executives create and maintain a culture of integrity throughout the Company organization.

- Developing Company' approach to corporate governance.
- Overseeing the provision of appropriate orientation and education to new recruits to the Board of Directors and ongoing continuing education to existing directors.
- Reviewing the composition of the Board and considering if an appropriate number of independent directors sit on the Board of Directors.
- Overseeing an appropriate selection process for new nominees to the Board of Directors is in place.
- Appointing directors or recommending nominees for election to the Board of Directors at the annual and general meeting of shareholders.
- The assessment, at least annually, of the effectiveness of the Board of Directors as a whole, the committees of the Board of Directors and the contribution of individual directors, including consideration of the appropriate size of the Board of Directors.
  
- With the assistance of the Remuneration Committee:
  - Approving the compensation of the senior management team and establishing compensation and shareholding requirements for directors and disclosing such compensation and shareholdings.
  - Reviewing succession plans for the Chief Executive Officer and other executive officers.
  
- With the assistance of the Audit Committee:
  - Reviewing the integrity of Company' internal control and management information systems. Overseeing compliance with laws and regulations, audit and accounting principles and Company's own governing documents.
  - Selecting, appointing, determining the remuneration of and, if necessary, replacing the independent auditors.
  - Assessing the independence of the auditors.
  - Review the audited financial statement of the Company with purpose to recommend to the Board of Directors' that the audited financial statement be presented to the shareholders at the Annual general meeting for their approval.

- Identification of the principal financial and controls risks facing Company and review of management's systems and practices for managing these risks.
  - Review and approval of significant accounting and financial matters and the provision of direction to management on these matters.
  - Without limitation to the Board of Directors' overall responsibility to oversee the management of the principal business risks, the identification of the principal business risks (including political risks) facing Company and review of management's systems and processes for managing such risks.
  - Reviewing of Concerns. Consistent with the Company's policies and procedures, any employee who has a concern with respect to any activities of the Company, the honesty or integrity of any officer or employee of the Company, or the Company's financial reporting, accounting, internal accounting or other controls or any matters relating to the Company's financial statements or any audit or financial review by the Company's internal audit function or independent auditors, may communicate that concern directly to the Chair of the Audit Committee.
- Supervising the development and implementation of policies and practices of Company relating to safety, health, responsible environmental stewardship and positive community relationships.
  - Supervising management's performance on safety, health, environmental stewardship and corporate responsibility.
  - Provide oversight to the overall process relating to:
    - a. The reporting on the quantity and quality of Company's mineral reserves and resources.
    - b. The material exploration, operating, development and technical activities.
    - c. The process for identifying and managing technical and operating risks, in conjunction with the Audit Committee.
    - d. The review of all material activities related to new projects, project development and the closures of mine/exploration sites.
  - With the assistance of the officer responsible for investor relations, monitor and review feedback provided by Company's shareholders and other stakeholders.
  - Approving securities compliance policies, including communications policies, of Company and reviewing these policies at least annually.

- Overseeing the accurate reporting of Company' financial performance to shareholders on a timely and regular basis and taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on Company.
- The adoption of a strategic planning process, approval and review, on an annual basis of a strategic plan that takes into account business opportunities and business risks identified by the Audit Committee and monitoring performance against the plan.
- The review and approval of corporate objectives and goals and expectations applicable to senior management personnel of Company.
- Defining major corporate decisions which require Board approval and approving such decisions as they arise from time to time.
- Obtaining periodic reports from management on Company' operations including, but without limitation, reports on security issues surrounding Company's assets (property and employees) and the protection mechanisms that management has in place.
- Ensuring that this Charter is disclosed on a yearly basis to the shareholders in Company's management information circular prepared for the annual and general meeting of shareholders or other disclosure document or on Company's website.
- Performing such other functions as prescribed by law or assigned to the Board of Directors in Company' constating documents and by-laws.

In exercising its responsibilities hereunder, the Board will have regard to and comply with such policies, procedures and directions of its direct and indirect shareholders as are applicable to the business and operations of the Company.

**The directors have no power to delegate to a committee of directors any of the following powers:**

- a. to amend the Memorandum or the Articles;
- b. to designate committees of directors;
- c. to delegate powers to a committee of directors;
- d. to appoint or remove directors;
- e. to appoint or remove an agent;
- f. to approve a plan of merger, consolidation or arrangement;
- g. to make a declaration of solvency or to approve a liquidation plan; or
- h. to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

For the avoidance of any doubt, The Board of Directors' can adopt any resolution with regard any business operations, corporate governance and financial results of the Company and other matters, without assistance of Committees, acting honestly and in good faith with a view to the best interests of the Company.

### **3. Board Interaction with Management.**

The day-to-day management of the business and affairs of the Company is the responsibility of the Chief Executive Officer and senior management of the Company. As part of their operational responsibility, the Chief Executive Officer and senior management are charged with:

- a. managing the Company's day-to-day business operations and carrying out the Company's strategic objectives within operating plans and budgets approved by the Board;
- b. identifying and developing strategic plans to be reviewed and approved by the Board and, upon such review and approval, implementing such plans;
- c. developing annual operating plans and budgets to be reviewed and approved by the Board and, upon such review and approval, implementing such plans and budgets;
- d. taking such action as is necessary and appropriate to implement direction or guidance given by the Board and its Committees from time to time;
- e. selecting qualified management and implementing an organizational structure that is efficient and appropriate for the Company's particular circumstances;
- f. identifying and managing the risks that the Company undertakes in the course of carrying out its business;
- g. operating the Company in a lawful and ethical manner.

In furtherance of the foregoing and notwithstanding any other provision hereof, the Chief Executive Officer will follow the guidelines for other staff in accordance with the Board requirements.

### **4. Composition**

- 4.1. The minimum number of directors shall be three and the maximum number shall be fifteen (“**Directors**”).

- 4.2.Chairman. The Chairman of the Board shall be selected by the Board from among its members. The Secretary of the Company, or such other individual as may be appointed by the Board, will serve as Secretary to the Board.
- 4.3.Composition. The Board shall be composed of individuals of integrity, who shall together embody a blend of knowledge, skills, characteristics, experiences and perspectives appropriate for the Company.
- 4.4.Election, Term and Vacancy. The nominees selected by the Board in accordance with the provisions hereof will be proposed for election by the shareholders at the Company's annual general meeting and will hold office until the next annual meeting or their resignation. Between annual meetings of shareholders, the Board may appoint Directors to serve until the next such meeting.

## **5. Operations**

- 5.1.Meetings. The Board will meet as frequently as is determined to be necessary.
- 5.2.Attendance at Meetings. Directors are expected to attend all meetings of the Board and the Committees on which they serve, to come to such meetings fully prepared and to remain in attendance for the duration of the meeting.
- 5.3.Confidentiality. Directors will maintain the absolute confidentiality of Board deliberations and decisions and information received at meetings except to the extent the information is publicly disclosed by the Company or as may be required by applicable law or as the Chairman may otherwise specify.
- 5.4.Attendance by Management and Others. The Board appreciates the value of having nondirectors attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chairman, may request that any officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Board, attend any meeting of the Board to provide such pertinent information as the Board requests.
- 5.5.Information for Board Meetings. Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting.
- 5.6.Conflicts. Directors must never be in an undisclosed conflict of interest with the Company. A director who has a real or potential conflict of interest regarding any particular matter under consideration should advise the Board or Board Committee, as the case may be, refrain from debate and abstain from voting on the matter and, in most cases, should leave the meeting while the remaining Directors discuss and vote on such matter.

## **6. Other**

- 6.1. Code of Business Conduct and Ethics. All Directors, officers and employees are bound by the Company's Code of Business Conduct and Ethics and are required to review it annually, and acknowledge their support and understanding thereof by signing it annually.
- 6.2. Reporting of Concerns. Consistent with the Company's policies and procedures, any employee who has a concern with respect to any activities of the Company, the honesty or integrity of any officer or employee of the Company, or the Company's financial reporting, accounting, internal accounting or other controls or any matters relating to the Company's financial statements or any audit or financial review by the Company's internal audit function or independent auditors, may communicate that concern directly to the Chair of the Audit Committee.