

## MINDORO RESOURCES LIMITED

### BOARD CHARTER

The Board of Directors (the “Board”) of Mindoro Resources Limited (the “Company”) is responsible for the stewardship of the business and affairs of the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board is constituted and governed by the Company’s Constitution.

The Board shall be constituted with a majority of individuals who are independent Directors in accordance with the suggested best practises guidelines as outlined in Canadian National Instrument 58-201 – Corporate Governance Guidelines. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director’s independent judgment.

The Board shall appoint one Director as Chairman. The Chairman shall be an independent Director. The Chairman is responsible for the leadership of the Board and for specific functions to ensure the independence of the Board. The Executive Officers are accountable to the Board for all authority delegated to the positions. For the purposes of these Corporate Governance Policies Executive Officer shall be defined as any person holding the position of President & Chief Executive Officer (“CEO”) and any positions reporting directly to the CEO. The Board has the following overall responsibilities:

- in conjunction with management, establishing the direction and strategies for the Company and monitoring the implementation of those strategies; and
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board’s primary responsibility is to oversee the Company’s business activities and management for the benefit of the Company’s shareholders. The specific responsibilities of the Board include:

- selection, appointment, monitoring, evaluation, rewarding and if necessary the removal of the Executive Officers of the Company;
- in conjunction with management, development of the strategic planning process and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- monitor and review annually the success of management in implementing the approved strategies and plans;
- establishing appropriate levels of delegation to the Executive Officers to allow them to manage the Company’s operations efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information;
- appreciation of areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- overseeing the management of safety and occupational health, environmental issues and community development;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- ensuring that appropriate external audit arrangements are in place and operating effectively;

- developing the Company's approach to corporate governance issues;
- having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- reporting to shareholders.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of committees. To this end the Board has established the following committees:

- Audit Committee
- Compensation Committee
- Governance and Disclosure Committee
- Environment, Health & Safety Committee

Each Director has the right to seek independent professional advice on matters relating to his/her position as a Director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

The independent members of the Board shall meet regularly during the year without any member of the Company's management present. Generally these meetings will be held in conjunction with regular Board meetings. Any material business items arising from these meetings shall be brought to the attention of the Company Secretary and such matters will be raised during the course of the current Board meeting or, added to the agenda of the next regularly scheduled Board meeting.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved Directors will, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, Directors must offer themselves for re-election by shareholders every year. The Board does not specify a maximum term for which a Director may hold office.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the CEO and the Executive Officers. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Executive Officers and executive Directors.

### ***Performance evaluation practices***

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and external professional advice (if considered necessary). The Board also reviews the appropriate criteria for Board membership collectively. The Board will establish formal processes to review its own performance and the performance of individual Directors (including CEO), Committees of the Board and Executive Officers, at least annually.

### ***Board***

A process will be established to review and evaluate the performance of the Board. The Board will be required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous twelve months, including comparison with others, and examining ways of assisting the Board in performing its duties more effectively.

The annual review includes consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board charter;

- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the Directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

### **Committees**

Similar procedures to those for the Board review will be applied to evaluate the performance of each of the Board committees. An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

### **Non-executive Directors**

The Chairman will have primary responsibility for conducting performance appraisals of non-executive Directors in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board Committees; and
- suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

### **Chief Executive Officer**

The Board will annually review the performance of the CEO. At the commencement of each financial year, the Board and CEO will agree to a set of general Company specific key performance indicators to be used in the review of the forthcoming year.

These will include:

- the extent to which key operational goals and strategic objectives are achieved;
- development of management and staff;
- compliance with legal and Company policy requirements; and
- achievement of key performance indicators.

### **Other Executive Officers**

The Chief Executive Officer is responsible for assessing the performance of the remaining Executive Officers within the Company. This is to be performed through a formal process involving a formal meeting with each Executive Officer. The basis of evaluation of Executive Officers will be on agreed performance measures.