

## CHARTER OF THE COMPENSATION COMMITTEE

### MELIOR RESOURCES INC. (the “Corporation”)

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#### **I. Purpose**

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) which assists the Board in discharging its responsibilities relating to executive and other human resources hiring, assessment, compensation and succession planning. For the purposes of its mandate, the Committee will review all aspects of compensation paid to the directors, officers and other employees of the Corporation to ensure that the Corporation’s compensation programs are competitive and that the Corporation is in a position to attract, motivate and retain the quality of personnel required to meet its business objectives.

#### **II. Composition**

Members of the Committee are appointed and removed by the Board. The Board shall designate annually the members of the Committee and a Chairman of the Committee. The Committee will be comprised of at least three directors, at least two of whom qualify as independent directors, as determined by the Board<sup>1</sup>. All members of the Committee should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board.

#### **III. Responsibilities**

The Board, in establishing the Committee, has acknowledged that the Corporation is a venture issuer and, as such, the responsibilities outlined herein are intended as general guidelines intended to be applied in the context of the size of the Corporation and its stage of development. The responsibilities of the Committee shall generally include, but shall not be restricted to, undertaking the following:

- Recommending to the Board senior management appointments and the terms and conditions of their appointment and retirement or termination.
- Monitoring and evaluating the performance of members of senior management including reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO’s performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO’s compensation level based on this evaluation.
- Reviewing and making recommendations to the Board with respect to the Corporation’s compensation and benefit programs for directors, senior management and employees including director fees, base salaries, bonuses and incentive plan awards, deferred compensation and retirement plans and share purchase or issuance plans including stock options and/or restricted share rights. As part of its review process, the Committee will review peer group and industry compensation data reported through surveys and other sources.

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<sup>1</sup> Determined in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Instrument 52-110 – *Audit Committees*.

- Reviewing and making recommendations to the Board with respect to the implementation or variation of stock option or restricted share rights plans, share purchase plans, compensation and incentive plans and retirement plans. Further, the Committee will ensure proper administration of the Corporation's existing share incentive plan, including the granting, or making recommendations with respect to the granting, of options or restricted share rights. In determining the number of options granted or restricted share rights issued, the Committee will give consideration to the potential contribution an individual may make to the success of the Corporation.
- Reviewing the annual report on executive compensation for inclusion in the Corporation's management information circular in accordance with applicable laws, rules and regulations.
- Taking all reasonable measures to ensure that appropriate human resources systems, such as hiring policies, competency profiles, training policies and compensation structures, are in place so that the Corporation can attract, motivate and retain the quality of personnel required to meet its business objectives.
- Maintaining an assessment and compensation philosophy that rewards the creation of shareholder value.
- Monitoring any strategic labour issues that need to be addressed.

#### **IV. Meetings and Advisors**

The Committee will meet as often as it deems necessary or appropriate to perform its duties and to carry out its responsibilities described above in a timely and efficient manner, but not less than two times a year. The quorum at any meeting of the Committee shall be a majority of its members. All such meetings shall be held pursuant to the by-laws of the Corporation with regard to notice and waiver thereof. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. Written minutes of each meeting of the Committee shall be filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board.

The Committee shall, in appropriate circumstances and subject to advising the Chairman of the Board, have the authority to engage and obtain advice and assistance from advisors including outside legal counsel and shall have sole authority to retain and/or terminate a compensation consulting firm. The Committee shall have the sole authority to approve the fees and other retention terms of any such engagement, as it determines is necessary or appropriate to carry out its duties. All related fees and costs of such advisors shall be paid promptly by the Corporation in accordance with its normal business practices.

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee.