

## **MANDATE OF THE BOARD OF DIRECTORS**

### **MELIOR RESOURCES INC.**

**(the “Corporation”)**

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#### **I. General**

The Board of Directors of the Corporation is responsible for the supervision of the management of the Corporation's business and affairs, with the objective of increasing shareholder value.

The Board shall be constituted with at least two independent directors, as that term is defined in applicable securities legislation and stock exchange rules. The Board's independent directors will meet periodically without management and non-independent directors.

Directors are expected to attend all Board meetings and review all meeting materials in advance. They are expected to take an active part in Board decisions.

#### **II. Composition**

The Board shall be composed of a minimum of three and a maximum of nine members.

#### **III. Responsibilities**

The Board of Directors, in establishing the Compensation Committee, have acknowledged that the Corporation is a junior resource issuer in the development stage 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 Board of Directors shall generally include, but not be restricted to, undertaking the following:

##### ***With respect to strategic planning***

- (a) Approving the Corporation's long-term strategy, taking into account, amongst other matters, business opportunities and risks.
- (b) Approving and monitoring the implementation of the Corporation's annual business plan.
- (c) Advising management on strategic issues.

##### ***With respect to human resources and performance assessment***

- (a) Choosing the Chief Executive Officer (“CEO”) and approving the appointment of other senior management executives.
- (b) Monitoring and assessing the performance of the CEO and of senior management and approving their compensation, taking into consideration the recommendations of the Compensation Committee and Board expectations and fixed goals and objectives.
- (c) Monitoring management and Board succession planning processes.

- (d) Monitoring the size and composition of the Board and its committees based on competencies, skills and personal qualities sought in Board members.
- (e) Approving the list of Board nominees for election by shareholders.

***With respect to financial matters and internal control***

- (a) Monitoring the integrity and quality of the Corporation's financial statements and the appropriateness of their disclosure.
- (b) Reviewing the general content of, and the Audit Committee's report on the financial aspects of, the Corporation's annual information form, management information circular, management's discussion and analysis, prospectuses and any other documents required to be disclosed or filed by the Corporation before their public disclosure or filing with regulatory authorities.
- (c) Approving operating and capital budgets, the issuance of securities and, subject to the schedule of authority adopted by the Board, any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major transactions such as investments or divestitures.
- (d) Determining dividend policies and procedures.
- (e) Taking all reasonable measures to ensure that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities.
- (f) Monitoring the Corporation's internal control and management information systems and regulatory certification practices.
- (g) Monitoring the Corporation's compliance with applicable legal and regulatory requirements.
- (h) Reviewing at least annually the Corporation's disclosure policy and monitoring the operation of the disclosure policy.

***With respect to corporate governance matters***

- (a) Taking all reasonable measures to satisfy itself as to the integrity of management and that management creates a culture of integrity throughout the Corporation.
- (b) Reviewing, on a regular basis, appropriate corporate governance structures and procedures, including the identification of decisions requiring approval of the Board and, where appropriate, measures for receiving stakeholder feedback, and the adequate public disclosure thereof.
- (c) Adopting and reviewing, on a regular basis, the Corporation's Code of Ethics and monitoring compliance with such code.
- (d) Taking all reasonable measures to ensure the annual performance assessment of the

Board, Board committees, Board and committee chairs and individual directors.

- (e) Adopting orientation and continuing education programs for directors.

#### **IV. Method of Operation**

Meetings of the Board shall be held at least quarterly and as required; in addition, a special meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. The quorum at any meeting of the Board shall be a majority of directors in office.

The Board chair shall develop the agenda for each meeting of the Board, in consultation with the CEO in the event those two positions are held by separate individuals, or the lead independent director if such a position is held by an independent director. The agenda and the appropriate material shall be provided to directors of the Corporation on a timely basis prior to any meeting of the Board.

Independent directors should meet periodically without management and other non-independent directors present.