

Board Mandate

Introduction - Overall the Board acknowledges responsibilities of the Company, including responsibility for: satisfying itself as to the integrity of the officers of the Company; adopting a strategic planning process and approving annual strategic plans; identifying and assessing the principal risks involved in the Company's business; succession planning of its key executives; adopting communication policies; internal control and management information systems; and developing the Company's corporate governance principles.

The Board intends that the Board mandate will be:

- reviewed annually;
- the Corporate Governance & Nominating Committee will monitor compliance of the Board mandate; and
- the Board will assume responsibilities for overseeing the operation of the Company's business.

Principle Duties of the Board - The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving other powers to itself. Subject to the Articles of the Company, the Board retains the responsibility for managing its own affairs including planning its composition, selecting its Chairman, nominating candidates for election to the Board, appointing committees and determining director compensation. More specifically the Board's principal duties fall into six categories:

1. *Selection of the Management and Succession Planning*

- Appointing and replacing the CEO, monitoring the CEO's performance, determining the CEO's compensation and providing advice and counsel in the execution of the CEO's duties.
- Approving the appointment and remuneration of all corporate officers, having taken advice from the CEO.
- Regularly reviewing plans for management succession.

2. *Internal Controls*

- Ensuring that the Audit Committee has responsibility to review and oversee that appropriate internal controls and management information systems are in place.
- Ensuring that the Audit Committee at least annually reviews the internal controls and management information systems.

3. *Strategic Planning Projects*

- Participating with management in developing and approving the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.
- To review the strategic plan on an annual basis.

4. *Corporate Governance & Oversight of Compliance with Securities Legislation*

- Ensuring that the Corporate Governance & Nominating Committee has responsibility to review and oversee that the Company's corporate governance system in order to ensure it is effective and operates within

National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines* and other applicable securities laws.

- Ensures, together with external legal counsel, that the Company complies with securities legislation.

5. ***Communications Policy***

- Ensuring the Company has a disclosure policy.
- Ensuring that the financial performance of the Company is adequately reported to shareholders and regulators on a timely and regular basis.
- Ensuring that the financial results are reported fairly and in accordance with generally accepted accounting standards.
- Ensuring the timely reporting of any other developments that have a significant and impact on the value of the Company and in setting out its future plans and strategies.
- Reporting annually to shareholders on its stewardship for the preceding year.
- Ensure the Board reviews all materials public announcements and the Audit Committee and approves a public disclosure regarding financial information.
- Ensuring stakeholders are given an opportunity to provide feedback to the Company.

6. ***Principal Business Risk Determination***

- Ensuring that management has correctly identified the principal risks of the Company's business and has implemented systems to manage or mitigate these risks.

Legal Responsibilities of the Board

- To oversee the management of the business and affairs of the Company.
- To act honestly and in good faith and in the best interests of the Company.
- To exercise the care, diligence and skill of a reasonably prudent person.
- If a director has any direct or indirect interest in a proposed contract or transaction with the Company, to disclose at the earliest opportunity at a meeting of the director the nature and extent of his/her interest.
- If a director holds any office or possesses any property whereby, whether directly or indirectly, a duty or interest might be created that is in conflict with his/her duty or interest as a director of the Company, to declare at the earliest opportunity at a meeting of the director the fact, nature and extent of the conflict, and if recommended by legal counsel, abstain from voting on and participating in discussions in, such topic with such conflict.
- To act in accordance with the Company's obligations contained under the *Business Corporations Act* (British Columbia), the *Securities Act* of each province and territory of Canada, other relevant legislation and regulations and the Company's Articles.
- Pursuant to the Company's Articles, the following matters must be considered by the Board as a whole and may not be delegated to a committee:
 - filling a vacancy in the office of auditor;
 - changing the membership of, or filling a vacancy in, any committee; and,
 - such matters, if any, as may be specified in the resolution establishing any committee.
- In order to fulfill their fiduciary duties, board members are expected to use their best efforts to attend all board meetings and to review in advance any items or material for discussion at such meetings.

- As a matter of policy, the Board has resolved that the following additional matters must be considered by the Board as a whole and may not be delegated to a committee:
 - any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - filling a vacancy among the directors;
 - the manner and the terms for the issuance of securities;
 - declaring dividends;
 - the purchase, redemption or other form of acquisition of shares issued by the Company;
 - paying a commission or allow allowing a discount to any person in consideration of his/her subscribing or agreeing to subscribe for shares of the Company or procuring or agreeing to procure subscriptions for any such shares;
 - approving management proxy circulars and annual information form;
 - approving any take-over bid circular or director's circular;
 - approving the year-end financial statements of the Company; and
 - adopting, amending or repealing by-laws.