

# **AURA MINERALS INC.**

## **CORPORATE GOVERNANCE POLICY**

### **GENERAL**

The corporate governance policy of the Company is designed to ensure that the affairs of the Company are effectively managed so as to best serve the interests of the Company and its shareholders.

The British Columbia Securities Commission (the “BCSC”) and the Toronto Stock Exchange (the “TSX”) have adopted certain policies regarding the disclosure by listed companies of their corporate governance practices. Using these policies as a guideline, the Company has developed its Corporate Governance Policy, which is set out below.

#### **1. COMPOSITION OF THE BOARD**

The Company’s Board shall be comprised of a majority of independent directors. The Board shall appoint a chairman to ensure that the Board’s agenda will enable it to successfully carry out its duties.

#### **2. MEETING OF INDEPENDENT DIRECTORS**

The independent directors shall hold regularly scheduled meetings at which non-independent directors and members of Management are not in attendance.

#### **3. BOARD MANDATE**

The Board has responsibility for the stewardship of the Company by supervising the Company’s affairs, with the goal of enhancing shareholder value and maintaining a culture of integrity throughout the Company.

The Board shall fulfill its responsibilities for the stewardship of the Company with the assistance of the following committees:

- (a) Audit Committee;
- (b) Nominating and Corporate Governance Committee;
- (c) Compensation Committee;
- (d) Disclosure Committee; and
- (e) Environmental, Health, Safety and Social Responsibility Committee.

The Board, with the assistance of its committees, shall discharge the following five principle duties as part of its overall responsibility for the stewardship of the Company:

##### **(i) *Oversight of Management***

- (a) The Board shall approve the appointment of the President and CEO and all other officers, and approve the compensation of officers based upon the recommendations of the Compensation Committee.

- (b) To the extent possible, the Board shall satisfy itself as to the integrity of the officers and ensure that they create a culture of integrity throughout the Company.
- (c) The Board shall delegate authority to the President and CEO for the overall management of the Company, including strategy and operations, to ensure the long term success of the Company and to maximize shareholder value.
- (d) The Board may from time to time delegate authority to other officers, subject to specified limits.
- (e) Review and prior approval by the Board shall be required for all material transactions in which the Company is involved including, without limitation, the acquisition or disposition by the Company of significant assets and properties, the issuance of securities and any matters that are outside the scope of authority delegated to officers.
- (f) The Board, along with the Compensation Committee, shall regularly review and maintain the Company's succession plan, which includes the appointment, training and monitoring of officers.

(ii) *Board Organization*

- (a) The Board shall respond to recommendations received from its committees, but shall retain the responsibility for managing its own affairs by approving the following: its composition; the candidates nominated for election; appointments to committees; the selection of the chairmen of the Board and of its committees; and committee charters.
- (b) The Board may delegate certain responsibilities to its committees, including: the review and assessment of Board and officer compensation levels; the interim financial results; the performance of the Board and officers; the internal controls systems; the orientation and continuing education of Board members; and environmental, health and safety matters. However, the Board shall retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

(iii) *Monitoring of Financial Performance and Other Financial Reporting Matters*

The Board shall be responsible for the following:

- (a) reviewing and questioning the strategies and plans of the Company;
- (b) identifying principal business risks and ensuring the implementation of appropriate systems to manage such risks including, insurance coverage, conduct of material litigation and the effectiveness of internal controls;
- (c) considering appropriate measures to be taken if the performance of the Company falls short of its goals;
- (d) reviewing and upon the recommendations of the Audit Committee, approving the audited financial statements and notes thereto, the management discussion and analysis and earnings press releases;

- (e) overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;
- (f) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards; and
- (g) reviewing and approving those matters which the Board is required to approve under its governing legislation and documents, including the payment of distributions and material expenditures.

(iv) *Policies and Procedures*

The Board shall approve, maintain and monitor compliance with all policies, codes, charters and procedures developed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards.

(v) *Reporting*

- (a) The Board, along with the Audit Committee, shall review and maintain the integrity of the internal control and management information systems of the Company.
- (b) The Board, along with the Disclosure Committee, shall implement measures for receiving feedback from stakeholders and ensure that material information is disseminated to the public in a timely manner and in accordance with the Company's Disclosure Policy.

#### 4. POSITION DESCRIPTIONS

The Board, with the assistance of the Nominating and Corporate Governance Committee, has developed the position descriptions for the chairman of the Board, the President and CEO and the chairmen of the Board committees. The Nominating and Corporate Governance Committee shall review and update these descriptions on an annual basis.

#### 5. ORIENTATION AND CONTINUING EDUCATION

The Board, with the assistance of the Nominating and Corporate Governance Committee, shall ensure that all new directors receive a comprehensive orientation to ensure that they understand the nature and operations of the Company's business, understand the role of the Board and its committees and the contribution individual directors are expected to make including, the commitment of time and resources that the Company expects from its directors.

The Board shall ensure that continuing education opportunities are available to all directors, so that individuals may maintain or enhance their skills and abilities as directors and to ensure that their knowledge and understanding of the Company's business remains current.

#### 6. CODE OF BUSINESS CONDUCT AND ETHICS

The Board has developed the Company's Code of Business Conduct and Ethics to promote integrity and deter wrongdoing by directors, Management and employees of the Company. In general, the Board shall address conflicts of interest (including transactions and agreements in

respect of which a director or executive officer has a material interest) and ensure the protection and proper use of confidential information, corporate assets and opportunities, fair dealings with shareholders, suppliers, competitors and employees, compliance with laws, rules and regulations, and the reporting of any illegal or unethical behavior.

#### **7. NOMINATION OF DIRECTORS**

The Nominating and Corporate Governance Committee shall recommend to the Board nominees for election and re-election as members of the Board and specify the competencies and skills that each new nominee will bring to the Board. The Board shall ensure that the Nominating and Corporate Governance Committee exercises this responsibility in accordance with its charter.

#### **8. COMPENSATION**

The Compensation Committee shall review and make recommendations to the Board regarding the Company's remuneration and compensation policies, including short and long-term incentive compensation plans, equity-based plans, bonus plans and benefit plans, the compensation levels for Management, the granting of stock based compensation to directors, Management and other key employees and consultants of the Company and all other remuneration matters, including severance arrangements, with respect to Management.

The Nominating and Corporate Governance Committee shall make recommendations to the Board regarding non-stock based compensation of directors.

#### **9. REGULAR BOARD ASSESSMENTS**

The Nominating and Corporate Governance Committee shall assess the effectiveness and contribution of each director, the Board and its committees on an annual basis and report to the Board with any recommendations.