

**AURA MINERALS INC.**  
**MANDATE FOR THE BOARD OF DIRECTORS**

**1 PURPOSE**

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.

**2. STRUCTURE AND OPERATIONS**

The Board shall be composed of not less than three directors and shall have a majority of independent directors. The members of the Board shall be nominated by the Nominating and Corporate Governance Committee and appointed or reappointed at the annual general meeting of the shareholders of the Company (the "AGM"). Directors may be nominated to bring special expertise or perspective to Board deliberations; however, they are not chosen to represent a particular constituency. The best interests of the Company must be paramount at all times.

The Board shall appoint or reappoint, at the meeting of the Board immediately following the AGM, a chairman among their number. The chairman shall serve as a liaison between the Board and members of the Company's management team ("Management").

Meetings of the Board shall be held on a quarterly basis, provided that due notice is given and a quorum of a majority of the members is present. Where a meeting is not possible, resolutions in writing which are signed by all members of the Board are as valid as if they had been passed at a duly held meeting. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time.

To facilitate the functioning of the Board independently of Management:

- (a) the proportion of members of Management on the Board shall be limited to a minority of the directors;
- (b) when appropriate, members of Management shall not be present for the discussion and determination of certain matters at meetings of the Board;
- (c) under the By-laws of the Company, the chairman of the Board or any two directors may call a Board meeting; and
- (d) Management's compensation shall be reviewed, in their absence, by the Compensation Committee.

The Board shall discharge its responsibilities for the stewardship of the Company directly or with the assistance of the following four standing committees:

- 1. Audit Committee;
- 2. Nominating and Corporate Governance Committee;
- 3. Compensation Committee; and
- 4. Environmental, Health, Safety and Social Responsibility Committee

When appropriate, *ad hoc* committees shall be appointed by the Board to address certain issues of a more short-term nature.

### **3. SPECIFIC DUTIES OF THE BOARD**

As part of the Board's overall responsibility for the stewardship of the Company, its principle duties include, but shall not be limited to, the following:

#### *Oversight of Management*

1. 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.
2. 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.
3. The Board has delegated 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.
4. The Board may from time to time delegate authority to other officers, subject to specified limits.
5. 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.
6. The Board shall regularly review and maintain the Company's succession plan, which includes the appointment, training and monitoring of officers.

#### *Board Organization*

1. The Board shall respond to recommendations received from the Nominating and Corporate Governance Committee, 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.
2. 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 safety matters. However, the Board shall retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

#### *Monitoring of Financial Performance and Other Financial Reporting Matters*

The Board shall be responsible for the following:

1. Reviewing, questioning and approving the strategies and plans of the Company;

2. 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;
3. considering appropriate measures to be taken if the performance of the Company falls short of its goals;
4. reviewing and upon the recommendations of the Audit Committee, approving the audited financial statements and notes thereto and the management discussion and analysis;
5. overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;
6. overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards; and
7. 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.

#### *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.

#### *Reporting*

1. The Board shall review the integrity of the internal control and management information systems of the Company.
2. The Board 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. SPECIFIC DUTIES OF EACH DIRECTOR**

The following expectations and responsibilities are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities:

1. assuming a stewardship role and overseeing the management of the affairs of the Company;
2. maintaining a clear understanding of the Company, including:
  - (a) its strategic and financial plans and objectives;
  - (b) emerging trends and issues;
  - (c) significant strategic initiatives;
  - (d) capital allocations and expenditures;
  - (e) principal business risks and management of such risks;
  - (f) internal systems, processes and controls;

- (g) compliance with applicable laws and regulations and
  - (h) governance, audit and accounting principles and practices;
3. preparing for each Board and committee meeting by reviewing materials provided and requesting, where appropriate, information that will allow the director to properly participate in the deliberations, make informed business judgments and exercise oversight;
  4. absent a compelling reason, attend every Board and committee meeting (of which the director is a member), and actively participating in deliberations and decisions. When attendance is not possible, a director should become familiar with the matters to be covered at the meeting;
  5. voting on all decisions of the Board or its committees, except when a conflict of interest may exist;
  6. preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such conflicting interests should they arise; and
  7. acting in the highest ethical manner and with integrity in all professional dealings.

**Approved by the Board on January 10, 2009.**