



**GoldQuest Mining Corp.**

**Corporate Governance Documentation**

**June, 2008**

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## **I. Corporate Governance Policy**

The Corporation is committed to responsible corporate governance practices, transparency and corporate responsibility. The Corporate Governance Policy is the framework by which the Corporation seeks to develop and foster an environment of integrity and compliance. It is the position of the Corporation that a corporate governance policy will be beneficial to shareholders and other stakeholders. This policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

### **A. THE BOARD OF DIRECTORS**

The Board will be mandated to set the strategic direction for the Corporation and to oversee its implementation by management of the Corporation. To assist it in fulfilling this responsibility, the Board will have responsibility for several areas, including:

- (a) reviewing and approving the Corporation's strategic and operating plans;
- (b) reviewing and approving material proposed expenditures;
- (c) reviewing and approving significant operational and financial matters; and
- (d) providing direction to management on operational and financial matters.

While decisions regarding the ongoing day-to-day management will be made by management of the Corporation, the Board shall meet regularly to review the business operation and financial statements of the Corporation and also to discharge, in part, its responsibility through the audit committee, the compensation committee and the corporate governance and nomination committee as established by the Board. The frequency of the meetings of the Board, as well as the nature of agenda items, will depend on the state of the Corporation's affairs and the types of opportunities which arise or risks which the Corporation faces. The Corporation will hold a minimum of four meetings of the Board in each fiscal year. When business requires that a Board meeting cannot be called within a reasonable time, Board decisions will be made by written resolution signed by all directors.

The Board is expected to participate fully in assessing and approving strategic plans and prospective decisions proposed by management. In order to ensure that the principal business risks borne by the Corporation are appropriate, the directors shall receive and are expected to comment on periodic oral or written reports from management as to the Corporation's assessment and management of such risks. The Board shall regularly monitor the financial performance of the Corporation, including receiving and reviewing detailed financial information and budgets contained in management reports. The Board of directors will, directly and through its audit committee, assess the integrity of the Corporation's internal control and management information systems.

Input will be given at the directors' meetings regarding performance of senior management. The Board shall be responsible for reviewing the performance of senior management. The Board shall also be responsible for addressing matters of succession planning.

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

The Corporation is committed to using its best efforts to ensure a majority of independent directors on its Board, subject to the reality of its current size and business. It is the policy of the Corporation that the the

Chairman of the Board shall be independent of the Corporation's executive and day-to-day management. The Corporation seeks, through ongoing co-operation and discussions with stakeholders, to ensure that the Board's agenda will enable it to successfully carry out its duties.

## **2. MANDATE OF THE BOARD OF DIRECTORS**

The Board has adopted a written mandate in which it will explicitly acknowledge responsibility for the stewardship of the issuer, including responsibility for:

1. to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the "CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
2. monitoring the strategic planning process taking into account, among other things, the opportunities and risks of the business;
3. the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks;
4. succession planning (including appointing, training and monitoring senior management);
5. adopting a public disclosure policy and insider trading policy for the issuer;
6. the issuer's internal control and management information systems; and
7. developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.

The written mandate of the Board should also set out:

- (a) measures for receiving feedback from stakeholders, and
- (b) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

## **3. NOMINATIONS OF DIRECTORS**

The Board will either perform the functions of a nominating committee with responsibility for the appointment and assessment of directors, or appoint a Corporate Governance and Nominating Committee to perform said duties. While there are no specific criteria for Board membership, the Corporation will attempt to attract and maintain directors with a wealth of business knowledge and particular knowledge of the Corporation's industry or other industries that would assist in guiding the officers of the Corporation. As such, nominations shall be the result of recruitment efforts and the recommendations of the Corporate Governance and Nominating Committee or other directors of the Corporation and discussions among the directors prior to the consideration of director nominees by the Board as a whole.

Prior to nominating or appointing individuals as directors, the Board will adopt a process involving the following steps:

- (a) consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board will recognize that the particular competencies and skills required for one issuer may not be the same as those required for another; and
- (b) assess what competencies and skills each existing director possesses. While it is unlikely that any one director will have all the competencies and skills required by the Board, the Board will be evaluated as a group, with each individual making his or her own contribution. Attention will also be paid to the personality and other qualities of each director, as these may ultimately determine the Boardroom dynamic.

The Board will also consider the appropriate size of the Board, with a view to facilitating effective decision-making.

Other factors that the Board may consider include:

- (a) the competencies and skills that may be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that each existing director possesses;
- (c) the competencies and skills each new nominee will bring to the Boardroom; and
- (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

#### **4. DIRECTOR ATTENDANCE**

Directors must be committed to diligent attendance at Board and committee meetings commensurate with their particular circumstances, and to full preparation for and participation in such meetings. If a director attends fewer than 50% of Board meetings, the Chairman of the Board will inquire into the situation and take steps to work with the director to improve attendance. Attendance will also be taken into consideration in the nomination process. While the Corporation does not restrict the number of public company boards that a director may serve on, each director must devote sufficient time to carrying out his or her duties effectively. Each director also commits to serve on the Board for an extended period of time if elected.

#### **5. DIRECTOR CONFLICT OF INTEREST**

Directors must provide the Corporation with all information relating to entities in which they have a material interest so that conflicts may be identified. Each director shall report to the Corporation and to the Board any conflict of interest or potential conflict of interest. It is the responsibility of the director to report such conflict, including the issue, nature and details of the conflict, and to abstain from voting on transactions in which such director has a material interest pursuant to the Canada Business Corporation' Act.

#### **6. POSITION DESCRIPTIONS**

The Corporation, when appropriate, will endeavor to develop written mandates of Chairman of the Board, the CEO of the Corporation and the chairman of each Board committee. If necessary, and as the Corporation's business evolves, the Board together with the CEO will develop a succinct position

descriptor for each role. The descriptions will assist in the development of corporate goals and objectives that the CEO will be responsible for meeting.

#### **7. ON-GOING EDUCATION**

While the Corporation has not established a formal orientation and education program for new Board members, the Corporation is committed to providing such information so as to ensure that the new directors are familiarized with the Corporation's business and the procedures of the Board. Information may include the Corporation's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The Board will ensure that every director possesses the capabilities, expertise, availability and knowledge required to fill his or her position adequately. From time to time, the Corporation will arrange on-site tours of its operations.

The Board will ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the business.

The Board should provide continuing education opportunities when appropriate for all directors and other officers, so that individuals may maintain or enhance their skills and abilities as directors, and officers, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

#### **8. CODE OF ETHICS**

As a responsible business and corporate citizen, the Corporation is committed to conducting its affairs with integrity, honesty, fairness and professionalism. The Board will adopt a Code of Ethics. The Code of Ethics will apply at all levels of the organization, from major decisions to day-to-day transactions.

The Code of Ethics delineates the standards governing the relations between the Corporation and its stakeholders, customers, suppliers and competitors respectively. Within this framework, employees and directors are expected to exercise good judgment and be accountable for their actions. All employees and directors are required to review and attest to compliance with the Code on an annual basis.

#### **B. AUDIT COMMITTEE**

The Board will appoint an Audit Committee with authority to engage independent counsel, to set and pay compensation for advisors and to communicate directly with internal and external auditors. External auditors will report directly to the audit committee. The Audit Committee will be composed of a minimum of three members, all of whom are independent directors of the Corporation and are financially literate.

The Audit Committee will be guided by its Charter, which will set out, among other things, the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), rights, and the manner of reporting to the Board.

#### **C. COMPENSATION COMMITTEE**

The Board will appoint a Compensation Committee, which will review and approve salary and benefits for the executives of the Corporation and compensation for the directors of the Corporation. The Corporation

will develop policies for the compensation of its executives and directors. The Compensation Committee will be responsible for:

- (a) 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;
- (b) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and
- (c) reviewing executive compensation disclosure before the Corporation publicly discloses this information.

The Compensation committee will be guided by its Charter, which will set out, amongst other things, the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), rights, and the manner of reporting to the Board.

**D. THE CORPORATE GOVERNANCE AND NOMINATION COMMITTEE**

The Board will appoint a Corporate Governance and Nomination Committee, which will review and make recommendation to the Board on general corporate governance matters including

- (a) all matters relating to the stewardship role of the Board in respect of the management of the Corporation,
- (b) Board size and composition, including the candidate selection process and the orientation of new members,
- (c) Board compensation, and
- (d) such procedures as may be necessary to allow the Board to function independently of management.

The Corporate Governance and Nomination Committee will be guided by its Charter, which will set out, among other things, the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), rights, and the manner of reporting to the Board.

**E. CURRENCY OF THIS POLICY**

This mandate was last revised and approved by the Board on **June 10** , 2008.

## **II. CHARTER OF THE AUDIT COMMITTEE**

Originally Adopted March 23, 2003

(Implemented pursuant to National Instrument 52-110- *Audit Committees*)

### **A. PART 1 – PURPOSE:**

The purpose of the Committee is to:

- (a) improve the quality of the Corporation's financial reporting;
- (b) assist the Board of Directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditor;
- (d) enhance the external auditor's independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditor.

### **1. DEFINITIONS**

"*accounting principles*" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principle, Auditing Standards and Reporting Currency*;

"*Affiliate*" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"*audit services*" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"*Charter*" means this audit committee charter;

"*Committee*" means the committee established by and among certain members of the Board of Directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"*Control Person*" means any individual or Corporation that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.

"*financially literate*" has the meaning set out in the Instrument;

"*immediate family member*" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"*Instrument*" means Multilateral Instrument 52-110;

“MD&A” has the meaning ascribed to it in National instrument 51-102;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*; and

“non-audit services” means services other than audit services.

## B. PART 2 – AUDIT COMMITTEE

The Board of Directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

### 1. RELATIONSHIP WITH EXTERNAL AUDITOR

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### 2. COMMITTEE RESPONSIBILITIES

- a) The Committee shall be responsible for making the following recommendations to the Board of Directors:
  - i. the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
  - ii. the compensation of the external auditor.
- b) The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - i. reviewing the audit plan with management and the external auditor;
  - ii. reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - iii. questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - iv. reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - v. reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;

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- vi. reviewing the post-audit or management letter, containing the recommendations of the external auditor, and managements response and subsequent follow up to any identified weakness;
  - vii. reviewing interim unaudited financial statements before release to the public;
  - viii. reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
  - ix. reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - x. reviewing the terms of reference of the internal auditor, if any;
  - xi. reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - xii. reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
- c) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
  - d) The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
  - e) The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
  - f) When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
  - g) The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.
  - h) The Committee shall, as applicable, establish procedures for:
    - i. the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
    - ii. the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
  - i) As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
  - j) The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.
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**3. DE MINIMUS NON-AUDIT SERVICES**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

**4. DELEGATION OF PRE-APPROVAL FUNCTION**

- a) The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
- b) The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1. must be presented to the Committee at its first scheduled meeting following such pre-approval.

**C. PART 3 – COMPOSITION**

- a) The Committee shall be composed of a minimum of three Members.
- b) Every Member shall be a director of the issuer.
- c) The majority of Members shall not be employees, Control Persons or officers of the Corporation.
- d) If practicable, given the composition of the directors of the Corporation, each audit committee member shall be independent and financially literate..

**D. PART 4 – AUTHORITY**

Until the replacement of this Charter, the Committee shall have the authority to:

- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) to set and pay the compensation for any advisors employed by the Committee,
- c) to communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board of Directors.

**E. PART 5 – DISCLOSURE IN INFORMATION CIRCULAR**

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board of Directors, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

**F. PART 6 – MEETINGS**

- a) Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
- b) Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
- c) Minutes shall be kept of all meetings of the Committee.

*While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.*

*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 Audit Committee.*

Currency of this charter

This charter was last revised and approved by the Board on **June 10**, 2008.

### **III. CHARTER OF THE COMPENSATION COMMITTEE**

Originally Adopted March 23, 2005

#### **A. CONSTITUTION**

There shall be a Committee of the Board of Directors (the “Board”) of GoldQuest Mining Corp. (the “Corporation”) to be known as the Compensation Committee (the “Committee”), whose membership, authority and responsibilities shall be as set out in this charter. The primary function of the Committee is to assist the Board in establishing, administering and evaluating the compensation principles, criteria, policies and plans for the Corporation’s executive officers (including the Chief Executive Officer); to interface with senior management regarding the compensation of employees; and to provide recommendations to the Board which are determined from time to time to be the subject of Board approval.

#### **B. COMPOSITION AND PROCEDURE**

The Committee shall consist of no fewer than two members. Each member of the Committee shall meet the independence requirements imposed by applicable law and the exchanges on which the Corporation’s securities are listed. The members and Chairman of the Committee shall be appointed and removed by the Board.

The Committee shall meet at least twice each year. Additional meetings may occur as the Committee or its Chairman deems advisable. The Compensation Committee is governed by the rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of this Charter, (b) any provision of the incorporating documents or bylaws of the Corporation, or (c) the laws of Canada.

The Committee shall keep adequate minutes of all its proceedings, and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent.

**C. COMMITTEE AUTHORITY AND RESPONSIBILITIES****1. CEO COMPENSATION.**

Based upon an annual evaluation of the Chief Executive Officer's performance, the Compensation Committee will determine and approve the Chief Executive Officer's compensation. In making its determination, the Compensation Committee will consider the Corporation's performance and relative shareholder return, the compensation of chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years, and such other factors as the Compensation Committee deems relevant. The Chief Executive Officer shall not be present during voting or deliberations about the Chief Executive Officer's compensation.

**2. COMPENSATION OF OTHER EXECUTIVES.**

The Compensation Committee will review and make recommendations to the Board with respect to compensation of all elected corporate officers at appropriate time periods. The Compensation Committee will take account of each individual's performance, the Corporation's overall performance and comparable compensation paid to similarly-situated officers in comparable companies.

**3. EXECUTIVE AGREEMENTS.**

The Compensation Committee will review, and if appropriate, approve employment agreements, severance arrangements, retirement arrangements, change in control agreements and provisions, and any special or supplemental benefits for each executive officer of the Corporation.

**4. INCENTIVE COMPENSATION PLANS.**

The Committee will administer the Corporation's Stock Option Plan approved on May 31, 2004 (except with respect to grants to non-employee directors), the Employees' Stock Bonus Plan and the Executive Management Performance Bonus Plan and such other stock option or equity participation plans as may be adopted by the shareholders or the Board of Directors from time to time within the authority delegated by the Board.

**5. ANNUAL REPORT.**

The Compensation Committee will prepare an annual report on executive compensation for inclusion in the Corporation's proxy statement.

**6. ADDITIONAL ASSIGNMENTS.**

The Committee will perform such other duties and responsibilities as may be assigned by the Board from time to time.

**D. CURRENCY OF THIS CHARTER**

This charter was last revised and approved by the Board on **June 10, 2008**.

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*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 Compensation Committee.*

## **IV. CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATION COMMITTEE**

### **A. PURPOSE**

The Corporate Governance and Nomination Committee (the “Committee”) is a committee of the Board of Directors which assists the Board by providing it with recommendations relating to corporate governance in general, including, without limitation: (a) all matters relating to the stewardship role of the Board in respect of the management of the Corporation, (b) Board size and composition, including the candidate selection process and the orientation of new members, (c) Board compensation, and (d) such procedures as may be necessary to allow the Board to function independently of management. The Committee will also oversee compliance with policies associated with an efficient system of corporate governance.

### **B. COMPOSITION**

Unless otherwise appointed, the Committee will be comprised of at the Board of directors, at least two of whom qualify as independent directors<sup>1</sup>.

Members of the Committee shall be appointed by the Board of Directors on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Corporation at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Committee or from the Board. The Board may fill a vacancy in the membership of the Committee.

All members should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board.

At the time of the annual appointment of the members of the Committee, the Board shall appoint a Chairman of the Committee. The Chairman shall be a member of the Committee, preside over all Committee meetings, coordinate the Committee's compliance with this charter, and provide reports of the Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

### **C. RESPONSIBILITIES**

The Board of Directors, in establishing the 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 Committee shall generally include, but not be restricted to, undertaking the following:

- (a) The Committee will review and make recommendations to the Board respecting:

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

- i. corporate governance in general and regarding the Board's stewardship role in the management of the Corporation, including the role and responsibilities of directors and appropriate policies and procedures for directors to carry out their duties with due diligence and in compliance with all legal and regulatory requirements;
- ii. the size and composition of the Board (including with reference to applicable rules, regulations or guidelines promulgated by regulatory authorities related to corporate governance),
- iii. general responsibilities and functions of the Board and its members, and of the Chief Executive Officer (the "CEO"), including position descriptions for the CEO and the Chair of the Board,
- iv. the organization and responsibilities of Board committees, and
- v. the procedures for effective Board meetings to ensure that the Board functions independently of management and without conflicts of interest;
- vi. the long term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board and the strategic direction of the Corporation. This plan will include: (i) the desired qualifications, demographics, skills and experience for potential directors, (ii) the appropriate rotation of directors on Board committees, (iii) an interview process for potential candidates for Board membership, and (iv) a list of future candidates for Board membership;
- vii. when required, a candidate for appointment to the office of Chairman of the Board, after taking into account the competencies and skills that the Board as a whole should possess, the competencies and skills that the existing directors possess, the competencies and skills of the proposed nominee and the amount of time and resources the proposed nominee can devote as a member of the Board;
- viii. when required, a candidate for appointment to the office of CEO;
- ix. annually, in consultation with the Chairman of the Board and the CEO, the Board nominees for election as members of the Board;
- x. as required, candidates to fill any Board and Committee vacancies;
- xi. whether the Committee and the Board will consider candidates for the Board recommended by shareholders, and if so, any policies and procedures with respect thereto;
- xii. at appropriate intervals and in consultation with the Compensation Committee: (i) compensation and benefit levels for the directors of the Corporation and its subsidiaries, and (ii) compensation and benefit levels for the Chairman of the Board;
- xiii. together with the Chairs of other Board Committees, the scope, duties and responsibilities of those Committees and where advisable, any amendments thereto, as well as the establishment or disbanding of Board Committees and changes to their composition, including the Chairs thereof;

- xiv. periodically, directors and officers third party liability insurance coverage; and the framework for delegating authority from the Board to management.
- (b) The Committee will review, approve and report to the Board on:
- i. the orientation process for new directors and plans for the ongoing development of existing Board members including the provision when appropriate of continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current;
  - ii. the establishment of appropriate processes for the regular evaluation of the
  - iii. effectiveness of the Board, its committees and its members;
  - iv. in conjunction with the Chairman of the Board, the performance of individual directors, the Board as a whole, and committees of the Board;
  - v. the performance evaluation of the Chairman of the Board and the Chairman of each Board Committee;
  - vi. CEO succession planning;
  - vii. together with the Chairman of the Board (where appropriate), concerns of individual directors about matters that are not readily or easily discussed at full Board meetings, to ensure the Board can operate independently of management; and
  - viii. the corporate governance disclosure sections in the Corporation's securities law and stock exchange filings, and any other corporate governance matters as required by public disclosure requirements.
- (c) The Committee will oversee compliance with the Corporation's Corporate Disclosure Policy, Privacy Policy and Insider Trading Policy, including pre-notification of trades by directors, officers or employees, authorize any waiver granted in connection with these policies, and confirm with management the appropriate disclosure of any such waiver.
- (d) The Committee will oversee compliance with the Corporation's Code of Ethics (the "Code"), monitor compliance with the Code, authorize any waiver granted in connection with the Code (provided, however, that any waiver granted with respect to a director or officer must be granted by the Board, and the Committee may delegate the approval of waivers with respect to non-officer employees to the Chair of the Committee or a designated compliance officer), and oversee the appropriate disclosure of any such waivers.
- (e) The Committee will oversee compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.
- (f) The Committee will receive and consider all requests for the retention of outside advisors and experts from an individual director, the Board, and all of its committees (except for the Audit Committee and Compensation Committee, which will notify the Committee of its actions in this regard).

- (g) Monitoring any strategic labour issues that need to be addressed.

#### D. 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 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. Meetings of the Committee may be with appropriate representatives of management, either individually or collectively as may be required by the Chairman of the Committee. Written minutes of each meeting of the Committee shall be drafted by the secretary within one week after said meeting, immediately thereafter circulated to the members of the Committee and, once approved by resolution of the Committee, filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board of Directors.

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 independent or 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.

#### E. CURRENCY OF THIS CHARTER

This charter was last revised and approved by the Board on **June 10, 2008**.

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.

## **V. CODE OF ETHICS**

The Corporation is committed to conducting its business in accordance with applicable laws, rules and regulations, and in accordance with industry standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. This Code of Ethics applies to all directors, officers and employees (the "Participants") of the Corporation (which for purposes of this Code of Ethics includes its subsidiaries as applicable) and sets forth specific policies to guide Participants in the performance of your duties.

As a director, officer or employee of the Corporation, Participants must not only comply with applicable laws, rules and regulations; Participants also must engage in and promote honest and ethical conduct and abide by the policies and procedures that govern the conduct of the Corporation's business. Participants' responsibilities include helping to create and maintain a culture of ethical standards and commitment to compliance, and, in the case of directors and officers, maintaining a work environment that encourages employees to raise concerns to the attention of management, and promptly addressing employee compliance concerns.

### **A. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Participants are required to comply with the laws, rules, policies and regulations that govern the conduct of the Corporation's business including, without limitation, all laws prohibiting insider trading, money laundering, bribery and improper payments, and to report any suspected violations in accordance with the section below titled "Compliance With Code Of Ethics."

### **B. CONFLICTS OF INTEREST**

You may not make any investment, accept any position or benefits, participate in any transaction or business arrangement or otherwise act in a manner that creates or appears to create a conflict of interest unless you make full disclosure of all facts and circumstances to, and obtain the prior written approval of, the Chief Executive Officer (in the case of employees) or the Audit Committee of the Board of Directors (in the case of officers and directors).

A "conflict of interest" arises when you take actions or have interests that conflict in any way with the interests of the Corporation. These conflicts may make it difficult for you to perform your work objectively and efficiently. The following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

- (a) you or a member of your immediate family has an ownership interest in, is employed by or serves as a director of a company that
  - i. directly competes with the Corporation;
  - ii. does business with the Corporation (such as a customer, supplier or business partner); or
  - iii. is a recipient of charitable contributions made by the Corporation (however, it is not typically considered a conflict of interest to make investments in competitors, customers or suppliers that are listed on a stock exchange so long as the total value of the

investment is less than one percent of the outstanding stock of the Corporation and the amount of the investment is not so significant with respect to your own personal investment limits that it would affect your business judgment on behalf of the Corporation.)

- (b) you or a member of your immediate family participates in a joint venture, partnership or other business arrangement or investment with the Corporation or a business arrangement or investment that you learned of through the use of corporate property or information or your position at the Corporation; and
- (c) you or a member of your immediate family receives improper personal benefits as a result of your position at the Corporation.

#### C. CONFIDENTIAL INFORMATION

You are required to maintain the confidentiality of all confidential information that you receive or become privy to in connection with the Corporation's business, except when disclosure is authorized in accordance with the Corporation's Corporate Disclosure Policy or mandated or required by court order or the order of a competent regulatory or other agency including securities regulators or stock exchanges. Confidential information includes all non-public information that might prejudice the Corporation's ability to pursue certain objectives, be of use to competitors or harmful to the Corporation, its suppliers or its customers, if disclosed. Confidential information also includes any information relating to the Corporation's business and affairs that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation's securities or any information a reasonable investor would consider important in making an investment decision. You must not use confidential information for your own advantage or profit.

It is the Corporation's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Corporation files with, or submits to, securities regulators and in all other public communications made by the Corporation. The Corporation's management has the general responsibility for preparing such filings and such other communications and shall ensure that such filings and communications comply with applicable laws, rules and regulations. Employees must provide all necessary information to management when requested and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time of such filing or communication was made or if they have information that would affect any filings or communications to be made in the future.

#### D. ACCURACY OF ACCOUNTING RECORDS

The Corporation's accounting records are relied upon to produce reports for management, shareholders, creditors, governmental agencies and others. The financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and the Corporation's system of internal controls. All directors, officers and employees have a responsibility to ensure that the Corporation's accounting records do not contain any false or intentionally misleading entries.

The Corporation is committed to the establishment of an environment that ensures the accuracy of its publicly disclosed financial information.

**E. PROTECTION AND PROPER USE OF THE CORPORATION'S ASSETS**

You should protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. The Corporation's assets should only be used for legitimate business purposes.

**F. CORPORATE OPPORTUNITIES**

Directors, officers and employees of the Corporation may not

- (a) take for themselves personally opportunities that are discovered through the use of Corporate property, information or position;
- (b) use Corporate property, information or position for personal gain; or
- (c) compete with the Corporation. Directors, officers and employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

**G. FAIR DEALING**

It is the Corporation's policy to deal fairly and with integrity with all of its customers, suppliers, subcontractors and competitors. All employees and representatives must employ the highest ethical business practices in source selection, negotiation, determination of awards and the administration of all purchasing activities. Deceptive, misleading or false representations about the Corporation or any of its products or services must not be made. Special consideration must also be given to avoiding conflicts of interest between the Corporation and the person or firm to be employed.

The Corporation seeks to outperform its competitors fairly and honestly through superior performance, never through unethical or illegal business practices. Theft of proprietary information, possession of trade secret information that was procured without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

**H. COMPLIANCE WITH CODE OF ETHICS**

If you have any questions about this Code of Ethics, you should seek guidance from the Corporation's General Counsel, the Chairman of the Board of directors, or the Chairman of the Audit Committee. If you know of or suspect a violation of applicable laws, rules or regulations or this Code of Ethics, you are encouraged to immediately report that information to:

**General Counsel,**

**Zahra Ramji**  
**Getz Prince Wells LLP**  
Suite 1810 - 1111 West Georgia Street  
Vancouver, B.C. V6E 4M3

Phone: (604)-685-6367

Fax: (604)-685-9798

Email - [zahra@getzpw.com](mailto:zahra@getzpw.com)

or

**Chairman of the Audit Committee,**

**Anthony Warrender**

Phone: (540) 253-5643

Email amwarrender@gmail.com

or

**Chairman of the Board.** (in the case of officers and directors).

Neil MacDonald

Phone (604) 633-2776

Email nmacdonald@novadx.com

Reports of suspected violations should identify as many relevant facts as possible, including, if applicable:

- (a) the date(s) relevant to the identified issue;
- (b) the name(s) of any persons involved in the identified activity;
- (c) the specific facts that give rise to the concerns expressed; and
- (d) any suggestions for resolving or dealing with the problems or issues identified.

The Corporation recognizes that resolving reported problems or concerns will advance the overall interests of the Corporation, and will help to safeguard the Corporation's assets, financial integrity and reputation. **No one will be subject to retaliation because of a good faith report of a suspected violation.** Please refer to the Corporation's Whistleblower Policy which follows this section.

Violations of this Code of Ethics may result in disciplinary action, up to and including discharge. The Audit Committee shall determine, or shall designate appropriate persons to determine, appropriate action in response to violations of this Code of Ethics. Violations of this Code of Ethics may also violate certain laws.

#### I. WAIVERS OF CODE OF ETHICS

The Board of Directors is responsible for monitoring compliance with this Code of Ethics, and does so primarily through reports from the Audit Committee. If you would like to seek a waiver of this Code of Ethics, you must make full disclosure of your particular circumstances to the Board of Directors. Amendments to and waivers of this Code of Ethics will be publicly disclosed as required by applicable laws, rules and regulations.

#### J. DOCUMENTING COMPLIANCE WITH THE DISCLOSURE POLICY

Appropriate records evidencing compliance with this Code of Ethics shall be maintained by the Corporate Secretary of the Corporation, including copies of correspondence relating to requests for, and determinations relating to, waivers of this Code of Ethics, and copies of documents relating to violations of this Code of Ethics.

#### K. NO RIGHTS CREATED

This Code of Ethics is a statement of certain fundamental principles, policies and procedures intended to govern the directors, officers and employees of the Corporation in the conduct of the Corporation's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

#### L. CURRENCY OF THIS CODE

This code was last revised and approved by the Board on **June 10, 2008**.

## **VI. WHISTLEBLOWER PROTECTION POLICY**

### **A. RESPONSIBILITIES OF AUDIT COMMITTEE FOR ACCOUNTING COMPLAINTS**

The Audit Committee of the Board of Directors of the Corporation has established the following procedures to receive, retain, investigate and act on complaints and concerns received by the Corporation regarding accounting, internal accounting controls and auditing matters, including complaints regarding attempted or actual circumvention of internal accounting controls or complaints regarding violations of the Corporation’s accounting policies and Code of Ethics. In addition, these procedures are designed to address the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

In the discretion of the Audit Committee, the responsibilities of the Audit Committee created by these procedures may be delegated to the Chairman of the Audit Committee or to a subcommittee of the Audit Committee.

### **B. SCOPE**

This policy applies to all employees of the Corporation.

### **C. POLICY**

This policy addresses the Corporation’s commitment to integrity and ethical behavior. This policy confirms that the Corporation will not tolerate harassment, retaliation or any type of discrimination against an employee (“whistleblower”) who:

- a) Makes a good faith complaint about suspected Corporation or employee violations of law or violations of the Corporation’s policies or Code of Business Conduct and Ethics (the “Code”) including, without limitation, a conflict of interest, a breach of applicable law, regulations or rules or what appears to be unethical, fraudulent or other illegal behavior on the part of a colleague;
- b) Makes a good faith complaint regarding accounting, internal accounting controls or auditing matters (“Accounting and Control Matters”) that may lead to incorrect, or misrepresentations in, financial accounting;
- c) Provides information (or causes information to be provided) or assists in an investigation regarding violations of law; or
- d) Files, testifies or participates in a proceeding relating to alleged violations of law.

### **D. SAFEGUARDS**

#### **1. HARASSMENT OR VICTIMIZATION**

Harassment, discharge, demotion, suspension or victimization of or threats (collectively, “Employment Issues”) made to the whistleblower will not be tolerated. Wrongdoers will be disciplined consistent with the severity of the misconduct.

## **2. CONFIDENTIAL AND ANONYMOUS REPORTS BY EMPLOYEES**

Employees of the Corporation are expressly authorized to make complaints regarding Accounting and Control Matters and breach of the Code using the procedures described below on a confidential or anonymous basis. All such complaints received from employees will be treated confidentially or anonymously, as applicable, to the extent reasonable and practicable under the circumstances.

## **3. DISCIPLINARY ACTION**

Whistleblowers making complaints not in good faith may face disciplinary action consistent with the severity of the matter.

## **4. REPORTING PROCEDURES**

All concerns and complaints relating to Accounting and Control Matters or unethical or illegal conduct should be directed to the General Counsel and/or the Chairman (or members) of the Audit Committee whose contact information follows this section per the contact information following this Section. Concerns and complaints being made by officers and/or directors of the Corporation should be directed to the Chairman of the Board of Directors of the Corporation. Complaints, including anonymous complaints, may be delivered in a sealed envelope addressed to the General Counsel, GoldQuest Mining Corporation, marked "Private and Confidential to be opened by addressee only" at Suite 720 – 700 West Pender St. Vancouver, BC V6G 1G8.

All complaints concerning Employment Issues should be reported to the Chief Financial Officer, per the contact information following this Section. Complaints, including anonymous complaints, may be delivered in a sealed envelope addressed to the Chief Financial Officer, GoldQuest Mining Corp., marked "Private and Confidential to be opened by addressee only" at Suite 720 – 700 West Pender St. Vancouver, BC V6G 1G8

A whistleblower is not expected to prove the truth of an allegation, but must demonstrate to the person contacted that there are sufficient grounds for concern.

## **E. HOW THE COMPLAINT WILL BE HANDLED**

All reports will be dealt with promptly. Initial inquiries will be made to determine if an extensive investigation is appropriate, and the form it should take. Some concerns may be resolved by agreed action without the need for investigation. Appropriate corrective action will be taken if warranted by the investigation.

The Audit Committee will determine the proper treatment for all complaints related to Accounting and Control Matters and breaches of the Code. Such complaints will be forwarded by the Audit Committee to the person deemed appropriate for the investigation. The Audit Committee will determine if an outside investigator should be retained. The CFO in consultation with the CEO will determine the proper treatment for all complaints related to Employment Issues.

The Chief Executive Officer ("CEO") will provide the Audit Committee quarterly or more often as may be required by the Audit Committee:

- a) A summary of the number and category of complaints;

- b) A report on each complaint including the results of investigations and actions taken.

The Chairman of the Audit Committee will retain copies of all complaints, results of investigations, if any, and reports for a period of seven years. Investigation details and a final report must be retained by the department that performed the investigation.

Certain reports may be reported periodically in summary format only if the Chairman of the Audit Committee believes that the complaints fall into one or more of the following categories:

- a) Complaints that have no supporting details and which are clearly issued in bad faith;
- b) Complaints which are so vague that conducting an investigation would be impossible or impractical;
- c) Complaints that are so small that they would not impact the financial reporting process (for example, a small theft of petty cash by a non-management employee).

All reports will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The Audit Committee will be free in its discretion to engage outside auditors, counsel or other experts to assist in the evaluation of any results of any investigation into a complaint regarding Accounting and Control Matters, and the Corporation will pay all fees of such auditors, counsel and experts.

## F. WHISTLEBLOWER REPORTS

Whistleblowers will be informed, in general terms (to avoid revealing confidential information), about the investigation outcome.

Contact Information

### **General Counsel,**

**Zahra Ramji**  
**Getz Prince Wells LLP**  
Suite 1810 - 1111 West Georgia Street  
Vancouver, B.C. V6E 4M3

Phone: (604)-685-6367

Fax: (604)-685-9798

Email - [zahra@getzpw.com](mailto:zahra@getzpw.com) or

### **Chairman of the Audit Committee,**

**Anthony Warrender**

Phone: (540) 253-5643

Email [amwarrender@gmail.com](mailto:amwarrender@gmail.com) or

**Chairman of the Board.** (in the case of officers and directors).

Neil MacDonald

Phone (604) 633-2776

Email nmacdonald@novadx.com

## **VII. CORPORATE DISCLOSURE POLICY**

The objective of the disclosure policy is to ensure that the Corporation’s communications with the public are:

- (a) timely, factual and accurate; and
- (b) broadly disseminated in accordance with regulatory and legal requirements.

The policy applies to management, the board of directors, insiders, all employees and to those with comparable positions with the Corporation’s subsidiaries. While the policy does not apply to non-material communications made in the ordinary course of business, the policy does extend to all communications with the public, such as documents filed with regulators, financial and non-financial disclosure, including management’s discussion and analysis (“MD&A”), the annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, information on the Corporation’s web-site, and other electronic communications. It also covers oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

### **A. DISCLOSURE PRINCIPALS**

The Corporation strives to adhere to the following disclosure principles:

- (a) The Corporation will publicly disclose material information via news release, and file material change reports with regulators where appropriate.
- (b) In certain situations, if the board of directors determines that disclosure would be unduly detrimental to the Corporation, the information will be kept confidential until the board determines otherwise. However, during this period, the Corporation will file a confidential material change report with the securities regulators and will periodically and no less than every 10 days, review its decision to keep the information confidential.
- (c) Disclosure must include any information, the omission of which would make the rest of the disclosure misleading (half truths are misleading).
- (d) Unfavorable material information must be disclosed as promptly and completely as favorable information.
- (e) There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information is inadvertently disclosed, this information must be broadly disclosed immediately via news release. If the information is inadvertently disclosed during Market Regulation Services, Inc. (“RS”) business hours, the Corporation must call RS to discuss and/or discuss a halt in trading while the news release is written.
- (f) Disclosure should be consistent among all audiences, including the investment community, the media, customers and employees. Derivative information (information extracted from a document filed on behalf of another person or corporation), which is included in a document or oral statement, should include a reference identifying the document that was the source of the information.
- (g) Disclosure on the Corporation’s website alone does not constitute adequate disclosure of material information.

- (h) Disclosure must be corrected immediately if the Corporation subsequently learns that earlier disclosure contained a material error at the time it was given.

## B. SPOKESPERSON

The official and sole spokespersons (the "Authorized Spokespersons") for the Corporation are the Chief Executive Officer, the Chief Financial Officer and the General Counsel. These persons may appoint permanent media contacts and, from time to time, may appoint other individuals to communicate with the public. Employees who are not Authorized Spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an Authorized Spokesperson. All such inquiries are to be referred to the Authorized Spokespersons.

## C. MATERIAL INFORMATION

Material information includes any information relating to the business and affairs of the Corporation that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. Consideration should be given to the nature of the information, the volatility of the Corporation's securities and prevailing market conditions. In cases of doubt, the Corporation will err on the side of disclosure. Anyone in possession of undisclosed material information must immediately notify the board of directors and the Authorized Spokespersons of the information.

## D. CONFIDENTIALITY

All employees (including employees of subsidiaries), management, board of directors, and insiders of the Corporation must keep undisclosed material information confidential. Unless required for business reasons, no employee may disclose undisclosed material information until it has been generally disseminated to the public. To avoid inadvertent disclosure, employees should not discuss material matters or review such documents in public, and take such precautions as to ensure confidentiality.

Where material information has been inadvertently disclosed and on the advice of its general counsel and other advisors, the Corporation shall immediately disclose the information to the public via news release.

Unless otherwise required by the securities regulator or a stock exchange, it is the Corporation's policy not to comment or respond to market rumors.

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

- (a) Documents and files containing confidential information and other exploration data should be kept in a safe place, with access restricted to individuals who 'need to know' that information in the necessary course of business. Code names should be used if necessary.
- (b) Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- (c) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (d) Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- (e) Transmission of documents by electronic means, such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.

- (f) Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.

#### E. NEWS RELEASES

If the board of directors or management determines that a development is material, it will authorize the issuance of a news release unless the board determines that such developments must remain confidential for the time being. The board of directors can from time to time develop such procedures as may be necessary to authorize the issuance of news releases. If developments are to remain confidential, appropriate confidential filings with the securities regulatory authorities in accordance with securities legislation must be made and control of the inside information must be instituted. Should a material statement inadvertently be made in a selective forum, the Corporation will immediately issue a news release to fully disclose that information. If the inadvertent disclosure occurs during business hours of Regulation Services ("RS"), the Corporation must call RS to discuss and/or request a halt in trading while the news release is written.

The audit committee and board will review news releases containing earnings guidance and financial results prior to issuance. Financial results will be publicly released immediately following audit committee and board approval of the MD&A, financial statements and notes.

If the stock exchange upon which shares of the Corporation are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to its market surveillance division to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is issued outside of trading hours, RS must be notified promptly and in any event before the market reopens.

News releases will be disseminated through an approved newswire service that provides simultaneous national distribution. Full-text news releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media, and the local media in areas where the Corporation has its headquarters and operations.

News releases will be posted on the Corporation's website as soon as possible after confirmation of dissemination over the newswire and filed on Sedar at [www.sedar.ca](http://www.sedar.ca).

If the subject of a press release is a material change for the Corporation, a material change report will also be filed with applicable securities regulators as soon as practicable, but in any event within 10 days of the issuance of the news release.

#### F. DUTY TO CORRECT

If the Corporation discovers that a publicly disclosed statement was materially incorrect when it was disclosed, the Corporation must publicly issue a correction of the prior misstatement as soon as possible.

#### G. CONFERENCE CALLS

Conference calls may be held for quarterly earnings and major corporate developments, accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a web cast over the Internet. If there is to be a call, the Corporation will provide advance notice of the conference call and web cast by issuing a news release announcing the date, time and topic and providing information on how interested parties may access the call and web cast. These details will be provided on the Corporation's website. In addition, the Corporation may send invitations to analysts, institutional investors, the media and others. Any non-material supplemental information

provided to participants will also be posted to the website for others to view. At the beginning of the call, a spokesperson will provide appropriate cautionary language regarding any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.

The Authorized Spokespersons will hold a debriefing meeting immediately after the conference call and if they determine that selective disclosure of previously undisclosed material information or misleading disclosure has occurred, the Corporation will immediately disclose or correct the information broadly via news release. If the inadvertent disclosure occurs during business hours of RS, the Corporation must call RS to discuss and/or request a halt in trading while the news release is written.

#### H. TRADING RESTRICTIONS

The Corporation shall establish and maintain an Insider Trading Policy, which must be formally acknowledged by all directors, officers, employees and other related parties or consultants.

It is illegal for anyone with knowledge of undisclosed material information of the Corporation to purchase or sell securities of the Corporation. Securities legislation was recently changed to provide that anyone in a special relationship with the Corporation should not recommend or encourage another person to enter into a transaction involving the Corporation's security or inform any other person of material non-public information except in the necessary course of business. Insiders and employees with knowledge of confidential or material information about the Corporation or counter-parties in negotiations of potentially material transaction are prohibited from trading securities of the Corporation or any counter-party until the information has been fully disclosed and a reasonable period has passed for information to be widely disseminated.

#### I. BLACKOUT PERIODS

Blackout periods may be prescribed from time to time by the board, generally in consultation with the CEO of the Corporation as a result of special circumstances relating to the Corporation when insiders would be precluded from trading in its securities. All parties with knowledge of such special circumstances should be covered by the blackout. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counterparties in negotiations of material potential transactions.

In the event that a Blackout Period is warranted, the Board and/or the CEO shall immediately circulate a notice to all insiders, employees and contractors that a Blackout Period has been imposed. This notice shall be distributed by email. In the event that certain employees are temporarily on assignment in remote areas, the party supervising the work in the remote areas shall be responsible for ensuring these employees are given proper notice as well. The Blackout Period shall be lifted by providing notice via email to all parties concerned.

#### J. INSIDERS

Insiders are personally responsible for filing accurate and timely insider trading reports pursuant to securities legislation applicable to them.

#### K. FORWARD LOOKING INFORMATION

Forward-looking statements made by the Corporation will be made in accordance with applicable securities law requirements, be identified as forward-looking statements, and will be in close proximity to meaningful cautionary language that there is a risk that the statements could change materially.

In the event forward-looking information is made orally, forward-looking statements will be identified as such, and cautionary language will immediately accompany the statement.

A consistent approach to disclosure is important. Should the Corporation elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines must be observed as set out in National Instrument 51-102.

All material forward-looking information will be broadly disseminated via news release.

The information will be published only if there is a reasonable basis for drawing the conclusions or making the forecast and projections set out in the forward-looking information.

The document or public oral statement containing the forward-looking information must have, proximate to that information:

- (a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
- (b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.

Additionally, the information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome. Public oral statements also require a cautionary statement that actual results could differ materially and a reference to material factors and assumptions that could cause actual results to differ materially and to one or more readily available documents that outline such factors or assumptions.

The information should be accompanied by a statement that the information is stated as of the current date, is subject to change after that date and the Corporation does not undertake to update any forward-looking statement that is contained in that particular disclosure document or other communications except as required by law.

Once disclosed, the Corporation's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately reflected in current MD&A.

If the Corporation has issued a forecast or projection in connection with an offering document covered by Section 4 (B) of National Instrument 51-102, the Corporation will update that forecast or projection periodically as required by Section 4 (B) of National Instrument 51-102.

#### **L. CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Corporation intends to discuss material information at an analyst or shareholder meeting or a press conference or conference call, the discussion must be preceded by a news release of the material information.

The Corporation recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Corporation will meet with analysts and investors individually or in small groups as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Corporation's securities.

The Corporation will provide only non-material information through individual and group meetings, in addition to previously publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Corporation cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Corporation will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors and may post this information on its website.

Authorized Spokespersons should keep notes of telephone conversations with analysts and investors and when practicable more than one corporate representative should be present at all individual and group meetings. A debriefing will be held after these meetings and if it is determined that selective disclosure of previously undisclosed material information has occurred, the Corporation will immediately disclose the information broadly via news release.

Members of the media should not receive material information on an exclusive, embargoed or selective basis. They will receive material information at the same time as everyone else: when a full public announcement is made. Corporation spokespersons will keep notes of telephone conversations with reporters and will follow up with reporters when there is an inaccuracy in an article, in order to set the record straight, and ensure that the same error does not recur in future articles.

#### M. REVIEWING ANALYST REPORTS AND FINANCIAL MODELS

Upon request, the Corporation may review analysts' draft research reports or financial models for factual accuracy based on publicly disclosed information. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's financial model and earnings estimates.

To avoid appearing to endorse an analyst's report or model, the Corporation will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

#### N. LIMITS ON DISTRIBUTING ANALYST REPORTS

Analyst reports are proprietary products of the analyst's firm. Distributing, referring to or providing links to analyst reports may be viewed as an endorsement by the Corporation of the reports. For these reasons, the Corporation will generally not provide analyst reports to persons outside of the Corporation or generally to employees of the Corporation, including posting such reports on its website. Notwithstanding the foregoing, the Corporation may distribute analyst reports to its directors and senior officers to monitor the communications of the Corporation and to assist them in understanding how the marketplace values the corporation and how corporate developments affect the analysis.

Analyst reports may also be provided to the Corporation's financial and professional advisors in the necessary course of business. The Corporation may post on its website a complete listing, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Corporation. If provided, this list will not include links to the analysts' or any other third party websites or publications.

#### O. PROVIDING GUIDANCE

Through regular public dissemination of quantitative and qualitative information, the Corporation will try to ensure that analysts' estimates are in line with the Corporation's expectations. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' financial models or earnings estimates.

If the Corporation has determined that it will be reporting results materially below or above publicly held expectations, then it will disclose this information in a news release to enable discussion without risk of selective disclosure and to protect against a civil lawsuit alleging misleading disclosure (see “Forward-Looking Information”) or failure to provide timely disclosure.

#### P. DISCLOSURE RECORD

To the extent possible, the Corporation will maintain a five-year record of all public information about the Corporation, including continuous disclosure documents, news releases, analysts’ reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and newspaper articles.

#### Q. RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS

This disclosure policy also applies to electronic communications. Accordingly, the board of directors is also responsible for ensuring that postings on the Corporation’s website are reviewed and that such disclosure is accurate, complete, up-to-date and in compliance with relevant securities laws.

Disclosure on the Corporation’s website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the website will be preceded by the issuance of a news release.

All continuous disclosure documents will be made available through filing on the SEDAR. For ease of reference, the Corporation will endeavor to also provide a copy of such materials in the Investor Relations section of the Corporation’s website. All information posted on the Corporation’s website, including text and audiovisual material, will show the date the material was issued. Any material changes in information must be updated immediately, following issuance of a news release. The website will include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures.

Documents filed with securities regulators and posted on the Corporation’s website will be maintained on the website for a minimum of one year.

The Authorized Spokespersons will ensure that responses are provided to electronic inquiries. Only public information or information that could otherwise be disclosed in accordance with this disclosure policy shall be used to respond to electronic inquiries.

In accordance with this disclosure policy, employees (including Authorized Spokespersons) are prohibited from posting in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation’s activities or its securities.

#### R. COMMUNICATION, EDUCATION AND ENFORCEMENT

This Disclosure Policy extends to all employees of the Corporation, its Board of Directors and its Authorized Spokespersons. New directors, officers and employees will be provided with a copy of this disclosure policy, educated about its importance and, unless already signing off on a code of conduct which encompasses the disclosure policy, may be required to sign a copy as evidence of their commitment to abide by the policy. Changes to this disclosure policy will be communicated to all employees.

Any employee who violates this disclosure policy may face disciplinary action up to and including termination of employment with the Corporation. The violation of this disclosure policy may also violate certain securities laws, which could expose directors, officers or employees to personal liability. If it appears that an employee may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to fines or other penalties.

S. CURRENCY OF THIS POLICY

This policy was last revised and approved by the Board on June 10, 2008.

## **VIII. INSIDER TRADING POLICY**

### **A. INTRODUCTION**

GoldQuest Mining Corp. encourages all officers, employees and members of the Board of Directors to become shareholders on a long-term investment basis. Management, employees and members of the Board of Directors of the Corporation and its subsidiaries and others who are in a “special relationship” with the Corporation from time to time may become aware of corporate developments or plans or other information that may affect the value of the Corporation’s securities before these developments, plans or information are made public. In order to avoid civil and criminal insider trading violations, the Corporation has established this Insider Trading Policy to be followed by all persons who may have access to such information. Trading with, or disclosure of, such information contrary to the provisions of this Insider Trading Policy is illegal, and may expose the violator to prosecution or lawsuits. Such action will also result in a lack of confidence in the trading market and liquidity of the Corporation’s shares and will be considered cause for summary dismissal.

### **B. PERSONS AFFECTED:**

All of the following persons are in a “special relationship” with the Corporation (collectively referred to as “Insiders”) and are expected to observe this Insider Trading Policy:

- all directors, officers and employees of, and other persons retained by, the Corporation or its subsidiaries, and their spouses and dependant children; and
- partners, trusts, corporations, Registered Retirement Savings Plans (or the equivalent in jurisdictions outside of Canada) and similar entities over which any of the above-mentioned individuals exercise control or direction.

### **C. POLICY:**

#### **1. NO TRADING ON INSIDE INFORMATION:**

Blackout Periods are described in Section VII Paragraph I. In the event that a Blackout Period is warranted, the Board and/or the CEO shall immediately circulate a notice to all insiders, employees and contractors that a Blackout Period has been imposed. This notice shall be distributed by email. In the event that certain employees are temporarily on assignment in remote areas, the party supervising the work in the remote areas shall be responsible for ensuring these employees are given proper notice as well.

An Insider may not trade in securities of the Corporation during any blackout period which may be instituted from time to time by the Corporation’s Board of Directors or with knowledge of any information (“Inside Information”) concerning the Corporation or its subsidiaries that is not generally disclosed through dissemination in a press release or other means approved by the Corporation and that would either:

- (a) significantly affect, or would reasonably be expected to have a significant effect on, the market price or value of any securities of the Corporation or

- (b) reasonably be expected to have a significant influence on a reasonable investor's investment decision.

Examples of Inside Information are set out in Schedule "A".

For the purpose of this Insider Trading Policy, all references to trading in securities of the Corporation are deemed to include

- the exercise of stock options granted under the Corporation's stock option plan and
- any derivatives-based or similar transaction or arrangement.

In order to avoid any implication of impropriety, all Insiders are required to notify, in advance, the Corporation's Chief Executive Officer of any trading of securities of the Corporation in order to confirm that there is no Inside Information that has not been generally disclosed. If you are unable to reach the Chief Executive Officer, you may also contact the Chairman of the Board.

Inside Information is not considered to be generally disclosed until the second trading day after such information is released to the public and any blackout period that has been imposed by senior management of the Corporation is removed. Accordingly, you should not engage in any trades of securities of the Corporation until 24 hours have elapsed after the Inside Information was released to the public and you have been informed that any applicable blackout period has been removed, or until you have been advised in writing by the CEO that the information has ceased to be.

## **2. NO TIPPING:**

Insiders are prohibited from communicating Inside Information to others other than in the necessary course of business. If an Insider has any doubt with respect to whether disclosure of Inside Information is required in the necessary course of business, the Insider is required to contact the Chief Executive Officer. Inside Information is to be kept strictly confidential by all Insiders until after it has been released to the public through a press release or other means approved by the Board of Directors of the Corporation. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. An Insider with knowledge of Inside Information shall not encourage any other person or Corporation to trade in the securities of the Corporation, regardless of whether the Inside Information is specifically communicated to such person or Corporation.

## **3. NO SPECULATING:**

Insiders are not to speculate in securities of the Corporation. This restriction prohibits all dealings in put and call options; all short sales; all buying with the intention of quickly reselling (other than buying pursuant to the exercise of stock options granted under the Corporation's stock option plan) or selling securities with the intention of quickly buying such securities; and buying securities on margin.

## **4. INSIDER REPORTING OBLIGATIONS:**

Certain Insiders, including senior officers and directors of the Corporation, have obligations to report trades and other transactions involving securities of the Corporation under applicable securities legislation and rules of provincial, state and/or federal securities regulators in Canada. While it is the personal responsibility of each Insider to comply with any reporting obligations that they may have in accordance with the foregoing, an Insider may consult with the General Counsel for assistance in determining whether or not they are subject to such reporting obligations, and as to how they may be satisfied. The Corporation recommends that each of its officers and directors direct the broker handling their trading accounts to notify the Corporation Secretary (or in his or her absence the General Counsel) immediately

of the details of any trade in the Corporation's securities so that the Corporation Secretary can assist in preparing and filing an insider report in a timely fashion.

**5. CONDITION OF EMPLOYMENT:**

It is a condition of their appointment or employment that Insiders, at all times, abide by the standards, requirements and procedures set out in this Insider Trading Policy. Any breach of this Insider Trading Policy will be grounds for sanctions including possible termination of appointment or employment. All Insiders shall execute the certification set out in Schedule "B" regarding acknowledgement of and compliance with the procedures and restrictions set forth in this Insider Trading Policy.

**6. PENALTIES AND CIVIL LIABILITY:**

The applicable securities laws that impose trading and tipping prohibitions also impose substantial penalties and civil liability for a breach of these provisions. The following is a brief summary:

- a) Fines of up to the \$5,000,000 and three times the profit made or loss avoided in Ontario or up to the greater of \$3,000,000 and three times the profit made in British Columbia, and
- b) Prison sentence of up to ten years across Canada.

Where a Corporation is found to have committed an offence, the directors, officers and/or supervisory personnel of the Corporation may be subject to the same or additional penalties.

**7. SECURITIES OF OTHER COMPANIES:**

In the course of the Corporation's business, an Insider may obtain "inside information" about another publicly traded Corporation. Applicable securities laws prohibit trading in securities of that Corporation while in possession of such inside information or communicating such inside information to another person. The restrictions set out in this Insider Trading Policy apply to any Insider with respect to trading in the securities of, and communicating inside information about, any such other Corporation.

**D. CAUTION:**

The procedures and restrictions set forth in this Insider Trading Policy with respect to the trading of securities of the Corporation by Insiders present only a general framework within which an Insider may trade securities of the Corporation without violating applicable securities laws. The Insider has the ultimate responsibility for complying with applicable securities laws. The Insider should therefore view this Insider Trading Policy as the minimum criteria for compliance with applicable securities laws and should obtain additional guidance whenever possible.

***A good rule of thumb to follow at all times is: carefully avoid any trading or disclosure which might be, or appear to be, giving the person receiving the information any unfair advantage over public investors if such person were to buy securities of the Corporation from or sell securities of the Corporation to these public investors.***

Should you have any questions or wish information concerning the above, please contact the Chief Executive Officer.

## SCHEDULE A

### Examples of Inside Information

- significant changes in business operations, projections or strategic plans;
- potential mergers or acquisitions;
- potential sales of significant assets or subsidiaries;
- gains or losses of a major supplier, customer or contract;
- introductions of new products or services;
- significant pricing changes in products or services;
- declarations of a stock split, stock consolidation, a public or private securities offering by the Corporation or a change in its dividend policies or amounts;
- changes in senior management or in the composition of the Corporation's board of directors,
- major changes in accounting methods; or
- actual or threatened major lawsuits or material government and regulatory investigations.

The foregoing examples are not exhaustive.

## SCHEDULE B

### Certification – Insider Trading Policy

The undersigned hereby certifies that he/she has read and understands the Corporation's Insider Trading Policy relating to securities trading, a copy of which is attached hereto, and agrees to comply with the procedures and restrictions set forth therein.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

(please print)

## **IX. PRIVACY POLICY**

The Corporation is committed to controlling the collection, use and disclosure of personal information. The Corporation has demonstrated its commitment by developing this privacy policy (the “Privacy Policy”) in accordance with the standards set out in the *Personal Information Protection and Electronic Documents Act* (Canada) (the “Act”). As part of its privacy policy initiative, the Corporation has also developed a privacy statement, which may be published on its web-site. A copy of the proposed privacy statement is attached to this Privacy Policy as Schedule “A”.

It is the Corporation’s intention to use this Privacy Policy as a set of recommended best practices to mould the development and ongoing implementation of its privacy procedures, as an evolving resource for its employees and as a guide for the public of its initiatives to protect the privacy of personal information. The principles set out in this Privacy Policy seek to balance the right of privacy of an individual with respect to their personal information and the Corporation’s need to collect, use or disclose personal information for legitimate business purposes, on a standard of what a reasonable person would consider appropriate in the Corporation’s particular circumstances.

As a general proposition, any personal information that the Corporation collects will not be disclosed to third parties. The intent is that the information will be used solely for the exclusive use of the Corporation. However, in order to improve the integrity of the information collected, to assist in maintaining security over the information collected or as may be required by law, personal information may need to be disclosed.

The Corporation recognizes that controlling and safeguarding the collection, use and disclosure of personal information is an ongoing process. The Corporation is committed to reviewing this Privacy Policy on an ongoing basis and to updating the principles listed herein to better protect the privacy of individuals. As part of this commitment the Corporation invites all interested parties to review the following ten privacy principles listed below and submit any comments they may have to the Corporation’s Privacy Officer (as defined below).

### **A. PRINCIPLE 1 – ACCOUNTABILITY**

The Corporation is responsible for all personal information in its possession or control. In fulfilling this mandate the Corporation has appointed a privacy officer (the “Privacy Officer”, currently the Corporation’s Chief Financial Officer, Ford Cannon, who can be reached by email at [fordc@shaw.ca](mailto:fordc@shaw.ca), by direct telephone to 778.288.4434, by fax at (604) 947-2795 by regular mail at 720-700 West Pender Street, Vancouver, BC, Canada. Accountability for compliance by the Corporation with the principles and policies listed in this Privacy Policy rest with the Privacy Officer even though other individuals within the Corporation may be responsible for the day to day collection and processing of personal information. The Privacy Officer may, from time to time, designate one or more individuals within the Corporation to act on his or her behalf to ensure the compliance by the Corporation with the principles and policies listed herein. The designation of a Privacy Officer does not relieve the Corporation from responsibility for compliance with these principles. The Corporation monitors compliance with the policies and principles on an ongoing basis.

The Corporation has implemented policies and practices that give effect to the principles and procedures of this Privacy Policy including:

- a) implementing procedures to protect personal information;
- b) establishing procedures to receive, react and respond to complaints and inquiries; and

- c) training employees of the Corporation and communicating to employees of the Corporation the intent and spirit of the principles and policies and the particular practices required to meet compliance expectations.

## B. PRINCIPLE 2 – IDENTIFYING PURPOSES

The Corporation collects personal information for the following purposes: establishing and maintaining communication with individuals; offering and providing information to meet individual investors' needs; compiling statistics; and complying with the law. Without limiting the generality of the foregoing the information collected may also be used in particular to: create usage and website activity summary statistics; direct development and customization of general and online investor services and communications; and assist and develop marketing material and information circulars.

The purposes for which personal information is collected shall be identified before or at the time that the information is collected. The purpose of the information collected, used or disclosed by the Corporation must be apparent and is held accountable to a standard of what a reasonable person would consider appropriate in the circumstances. The Corporation will make reasonable efforts to identify the purposes for which personal information is collected to an individual from whom the personal information is collected at or before the time of collection. Depending upon the way in which the information is collected, the Corporation will identify these purposes on its website, as well as verbally or in writing, upon request.

The Corporation recognizes that collection of personal information is an evolving process and for personal information that has been collected for a purpose not previously identified, it will identify and obtain consent to the new purpose prior to use, except as permitted or required by law.

To the extent necessary, employees of the Corporation collecting personal information from an individual will explain to such individual the purpose for which the information is being collected, including any other purpose that may not be immediately obvious to the individual.

## C. PRINCIPLE 3 – CONSENT

The knowledge and consent of an individual is required for the collection, use or disclosure of personal information, except where consent is not required under the Act. In order to fully comply, the Corporation will make a reasonable effort to ensure that the individual is advised of the purposes for which his or her personal information will be used or disclosed in a manner that is reasonably understood by the individual.

The form of consent sought may vary depending upon the circumstances and the type of information collected. In determining the form of consent to seek, the Corporation will take into account the sensitivity of the information. Although some information (for example medical records and income records of employees) is almost always considered sensitive, any information can be sensitive depending on the circumstances. In seeking consent the Corporation will take into account the reasonable expectations of the individual in the particular circumstances.

Generally, the Corporation will seek consent for the collection, use or disclosure of personal information at the time of the collection. In certain circumstances consent with respect to use or disclosure, as applicable, may be sought after the information is collected but before use (for example, when the Corporation wants to use the information for a purpose not previously identified).

**D. PRINCIPLE 4 – LIMITING COLLECTION**

The Corporation collects only the personal information necessary for the purposes identified. Information shall be collected by fair and lawful means. The Corporation will not collect personal information indiscriminately.

When possible the Corporation will collect personal information from the individual directly. However, depending on the particular circumstances the Corporation may obtain personal information from other third party sources.

**E. PRINCIPLE 5 – LIMITING USE, DISCLOSURE, AND RETENTION OF PERSONAL INFORMATION**

Personal Information will not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual or as required by law. Personal information will be retained only as long as necessary for the fulfillment of those purposes.

If using personal information for a new purpose, the Corporation will document this purpose.

Personal information that is no longer required to fulfill the identified purposes will be destroyed, erased, or made anonymous. The Corporation will develop guidelines and implement procedures to govern the destruction of personal information.

**F. PRINCIPLE 6 – ENSURING ACCURACY OF PERSONAL INFORMATION**

Personal information will be as accurate, complete, and up-to-date as is necessary for the purposes for which it is to be used. The extent to which personal information will be accurate, complete, and up to date will depend upon the use of the information, taking into account the interests of the individual.

The Corporation will not routinely update personal information, unless such a process is necessary to fulfill the purposes for which the information was collected.

Personal information that is used on an ongoing basis, including information that may possibly be disclosed to third parties, will generally be accurate and up to date, unless limits to the requirement for accuracy are clearly set out.

**G. PRINCIPLE 7 – ENSURING SAFEGUARDS FOR PERSONAL INFORMATION**

The Corporation will ensure that security safeguards appropriate to the sensitivity of the information will be implemented to protect personal information. The security safeguards will protect personal information against loss or theft, as well as unauthorized access, disclosure, copying, use, or modification. The Corporation will protect personal information regardless of the format in which it is held.

The nature of the safeguards will vary depending on the sensitivity of the information that has been collected, the amount, distribution, and format of the information, and the method of storage. A higher level of protection will safeguard more sensitive information, such as medical and health records of employees, as appropriate.

The methods of protection will include:

- a) physical measures, for example, locked filing cabinets and restricted access to offices;
- b) organizational measures, for example, limiting access on a "need-to-know" basis; and

- c) technological measures, for example, the use of passwords, encryption, and audits.

The Corporation will make its employees aware of the importance of maintaining the confidentiality of personal information and care will be used in the disposal or destruction of personal information to prevent unauthorized parties from gaining access to the information.

#### H. PRINCIPLE 8 – OPENNESS ABOUT PERSONAL INFORMATION POLICIES AND PRACTICES

The Corporation will make readily available to individuals specific information about its policies and practices relating to the management of personal information. The Corporation will be open about its policies and practices with respect to the management of personal information and an individual will be able to acquire information about the Corporation's policies and practices without unreasonable effort. This information will be made available in a form that is generally understandable.

The information made available will include:

- (a) the name or title, and the address, of the Privacy Officer, who is accountable for the Corporation's Privacy Policy and practices, and to whom complaints or inquiries can be forwarded;
- (b) the means of gaining access to personal information held by the Corporation;
- (c) a description of the type of personal information held by the Corporation, including a general account of its use;
- (d) a copy of any brochures or other information that explains the Corporation's policies, standards or codes; and
- (e) what personal information is made available to related organizations.

In addition, the Corporation may make information on its policies and practices available in a variety of ways. For example, the Corporation may choose to make brochures available in its place of business, mail information to its clients, post signs in its offices, or provide online access.

#### I. PRINCIPLE 9 – INVESTOR ACCESS TO THEIR OWN PERSONAL INFORMATION

Upon request, an individual will be informed of the existence, use, and disclosure of his or her personal information and will be given access to that information. An individual will be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

In certain situations, the Corporation may not be able to provide access to all the personal information it holds about an individual. Exceptions to the access requirement will be limited and specific. The reasons for denying access will be provided to the individual upon request.

Upon request, the Corporation will inform an individual whether or not it holds personal information about the individual. The Corporation will seek to indicate the source of this information and will allow the individual reasonable access to this information. In addition, upon request, the Corporation will provide an account of the use that has been made or is being made of this information and an account of the third parties to which it has been disclosed, as appropriate.

An individual will be required to provide sufficient information to permit the Corporation to provide an account of the existence, use, and disclosure of personal information. The information provided will only be used for this purpose.

The Corporation will respond to an individual's request within a reasonable time and at minimal or no cost to the individual. The requested information will be provided or made available in a form that is generally understandable.

If an individual demonstrates the inaccuracy or incompleteness of certain personal information, the Corporation will amend the information as required. Depending upon the nature of the information challenged, amendment may involve the correction, deletion, or addition of information. Where appropriate, the amended information will be transmitted to third parties having access to the personal information in question.

When a challenge is not resolved to the satisfaction of the individual, the Corporation will record the substance of the unresolved challenge.

**J. PRINCIPLE 10 – CHALLENGING COMPLIANCE WITH THE CORPORATION’S PRIVACY POLICIES AND PRACTICES**

An individual will be able to address a challenge concerning compliance with this Privacy Policy with the Privacy Officer.

The Corporation will put procedures in place to receive and respond to complaints or inquiries about its policies and practices relating to the handling of personal information. The complaint procedures will be easily accessible and simple to use. The Corporation will inform individuals who make inquiries or lodge complaints of the existence of relevant complaint procedures. A range of these procedures may exist and are evolving. The Corporation will investigate all complaints. If a complaint is found to be justified, the Corporation will take appropriate measures, including, if necessary, amending its policies and practices.

**K. CURRENCY OF THIS POLICY**

This policy was last revised and approved by the Board on **June 10, 2008**.

## L. SCHEDULE "A" - PRIVACY STATEMENT

Your privacy is very important to us. This brief statement summarizes certain aspects of our privacy policy (the "Privacy Policy"). To view the Corporation's complete Privacy Policy, please visit the Corporation's website

[www.goldquestcorp.com](http://www.goldquestcorp.com)

### 1. PURPOSES AND CONSENT

The information that we collect may be used for the following purposes, among others:

- (f) to create usage and website activity summary statistics;
- (g) to direct development and customization of general and online investor services; and
- (h) to assist and develop marketing material and information circulars;

The Corporation collects and uses your personal information in order to provide you with the services that you request and to facilitate the flow of investor information. We also may use your personal information to provide you with further information about our Corporation, unless you advise us that you do not want such information. To tell us that you do not wish such information or if you require further information to make this decision or if you wish to withdraw consent to our collection of your personal information, please click [here](#).

This web site may use "cookies", small text files inserted on your computer to identify your computer as you view our web site, in order to provide you with an enhanced experience. However such cookies are never linked to your personal information.

By providing the Corporation with your personal information, including your e-mail address, you are deemed to have consented to the Corporation using it for the purposes described above.

### 2. TYPES OF PERSONAL INFORMATION COLLECTED

The Corporation collects the following information regarding visitors to our website: domain name, name, information regarding which pages are accessed, information volunteered by you, such as survey information, e-mail addresses or website registrations and your preferred means of communication. The Corporation collects and logs this information for statistical purposes.

#### Disclosure of Personal Information

As a general proposition, the Corporation will not disclose your personal information to third parties. The intent is that the personal information collected will be used solely for the exclusive use of the Corporation. However, in order to improve the integrity of the data, to assist in maintaining security over the data, or as required by law, some personal information may be required to be disclosed.

### 3. SECURITY

The Corporation takes reasonable security measures to protect personal information from loss, unauthorized access, destruction, misuse, modification and disclosure. The Corporation treats the

information with a high degree of regard and awareness of the private confidential nature of the data. Our primary objective is to maintain the integrity and security of the data.

#### **4. CHANGES TO OUR POLICIES**

Controlling and safeguarding the collection, use and disclosure of personal information is an ongoing process and we anticipate that at some time in the future it may be necessary to make changes to our Privacy Policy. If in our opinion, acting reasonably, such changes will allow the Corporation to make materially greater use or disclosure of your personal information, we will notify all active users of the changes. Such investors will then have an opportunity to withdraw their consent to the collection, use or disclosure of their personal information. The content of the Privacy Policy may be updated from time to time and we suggest that you return to the website on a regular basis and carefully read the information provided.

#### **5. ACCESS, QUESTIONS AND CONCERNS**

If you wish to access any of your personal information held by the Corporation, have further questions about your personal information and/or the Corporation's Privacy Policy or procedures, wish to withdraw all or part of your personal information, or have any other concerns, please contact:

**Privacy Officer  
GoldQuest Mining Corp  
Suite #720, 700 West Pender Street  
Vancouver, B.C., V6C 1G8**

<b>Telephone:</b>	<b>GoldQuest Offices</b>	<b>(604) 632 4333</b>
	<b>Direct</b>	<b>(778) 288.4434</b>
<b>Fax:</b>	<b>GoldQuest Offices</b>	<b>(604) 669 3195</b>
	<b>Direct</b>	<b>(604) 947-2795</b>

## **X. MANDATE OF THE BOARD OF DIRECTORS**

This mandate has been developed and adopted by the Board pursuant to section A2 of the Corporation’s Corporate Governance Policy.

### **A. GENERAL**

The Board of Directors of the Corporation (the “Board”) 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 Chairman of the Board shall at all times be independent of the Corporation’s executive and day-to-day management. The Board shall use its best efforts at all times to ensure that a majority of the directors is independent of the Corporation’s executive and day-to-day management.

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.

### **B. RESPONSIBILITIES**

The Board has 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 shall generally include, but not be restricted to, undertaking the following:

#### **1. WITH RESPECT TO STRATEGIC PLANNING**

The Board of Directors shall:

- Approve the Corporation’s long-term strategy, taking into account, amongst other matters, business opportunities and risks.
- Approve and monitor the implementation of the Corporation’s annual business plan and quarterly updates thereto, to be provided by the CEO.
- Advise management on strategic issues.

#### **2. WITH RESPECT TO HUMAN RESOURCES AND PERFORMANCE ASSESSMENT**

- (a) In consultation with the Corporate Governance and Nominating Committee, 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.

**3. WITH RESPECT TO STAKEHOLDERS IN THE CORPORATION**

- (a) Establish procedures for receiving feedback from stakeholders.
- (b) Advise management on appropriate actions in response to feedback from stakeholders.

**4. 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 or recommendations on the financial aspects of the Corporation's annual information form and quarterly reports, management information circular, financial statements, 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 management has established appropriate and effective systems 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.

**5. 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 Insider Trading Policy and monitoring compliance with such Code and Policy.
  - (d) Taking all reasonable measures to ensure the annual performance assessment of the Board, Board committees, Board and committee chairs and individual directors, when appropriate.
  - (e) Adopting orientation and continuing education programs for directors when appropriate.

**C. METHOD OF OPERATION**

Meetings of the Board shall be held at least quarterly and as otherwise required. In addition, a special meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. This meeting should be scheduled well in advance of the requirements for mail outs for the Annual Meeting of the Corporation, so that any issues requiring shareholder approval can be addressed at the Annual Meeting. The quorum at any meeting of the Board shall be a majority of directors in office. Written minutes of each meeting of the Board shall be drafted by the secretary within one week after said meeting, immediately thereafter circulated to the directors and, once approved by resolution of the Board, filed in the Corporation's records

The Chairman of the Board 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. For the purposes of this paragraph, timely shall mean not less than two business days prior to any meeting of the Board.

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

**D. CURRENCY OF THIS MANDATE**

This mandate was last revised and approved by the Board on **June 10, 2008**.

## **XI. MANDATE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

This mandate has been developed and adopted by the Board pursuant to section 6 of the Corporation's Corporate Governance Policy.

### **A. PURPOSE**

The primary functions of the Chairman of the Board of Directors (the "Board") are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's functions and responsibilities under its mandate. As such, the Chairman of the Board shall at all times be independent.

### **B. GENERAL**

#### **1. APPOINTMENT AND REMOVAL OF CHAIRMAN OF THE BOARD**

The Chairman of the Board shall be elected annually by the members of the Board at the first meeting of the Board after each annual general meeting of shareholders or between annual general meetings upon the resignation, death, disqualification or removal of the Chairman. Subject to the favorable outcome of the Chairman's annual performance review conducted by the Corporate Governance and Nominating Committee, the Chairman may be elected annually to serve as Chairman. The Chairman shall serve at the pleasure of the Board, or until the earlier of the close of the next annual general meeting, the death of the Chairman or the resignation, disqualification or removal of the Chairman from the Board.

#### **2. QUALIFICATIONS**

The Chairman of the Board shall at all times be independent of the Corporation's executive and day-to-day management.

#### **3. ACCESS TO MANAGEMENT AND OUTSIDE ADVISERS**

The Chairman shall have unrestricted access to management and employees of the Corporation. The Chairman shall have the authority to retain and terminate external legal counsel, consultants or other advisers to assist him or her in fulfilling his or her responsibilities and to set and pay the respective compensation for these advisers without consulting or obtaining the approval of the Board or any officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Chairman, for the services of these advisers.

### **C. ACCOUNTABILITIES AND RESPONSIBILITIES**

The Chairman shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Chairman by the Board. In addition to these accountabilities and responsibilities, the Chairman shall perform the duties required of a chairman of a board of directors under the Business Corporations Act (British Columbia), binding requirements of the stock exchanges on which the securities of the Corporation are listed and all other applicable laws.

**D. BOARD MANAGEMENT****1. CHAIR OF BOARD MEETINGS AND THE ANNUAL GENERAL MEETING**

The Chairman shall chair Board meetings and all shareholder general meetings. The Chairman may vote at a Board meeting on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

**2. BOARD MEETINGS**

In consultation with the Chief Executive Officer of the Corporation, the Chairman shall set the agenda for each Board meeting. Each Board meeting agenda shall include reviews of appropriate operating and strategic issues, plus any other matters requiring approval of, or consideration by the Board.

**3. DIRECTOR APPOINTMENTS AND NOMINATIONS**

The Chairman shall provide input to the Corporate Governance and Nominating Committee on its recommendation to the Board for approval of (i) candidates for nomination or appointment to the Board; and (ii) members and chairs of Board committees.

**4. ACCESS TO MANAGEMENT AND OUTSIDE ADVISERS**

On an ongoing basis, the Chairman shall assess whether the Board and its committees have appropriate administrative support, access to senior management and access to outside advisers for the purposes of the Board fulfilling its mandate.

**5. REGULATORY MATTERS**

On an ongoing basis, the Chairman shall create opportunity for the Board to review and provide feedback on the Corporation's response to material regulatory recommendations and requests.

**6. ORGANIZATION STRUCTURE**

The Chairman shall create opportunity for the Board to review and, if advisable, approve any proposed changes to the Corporation's organization structure which have a material effect on reporting lines or the independence of key control groups such as internal audit, finance, legal, compliance and risk management.

**E. ADVISORY MATTERS RELATING TO THE CHIEF EXECUTIVE OFFICER****1. INPUT ON CHIEF EXECUTIVE OFFICER MATTERS**

The Chairman shall provide input to the Compensation Committee and the Corporate Governance and Nominating Committee of the Board in respect of the appointment, removal, evaluation, compensation and succession, as applicable, of the Chief Executive Officer.

**2. MEETING WITH CHIEF EXECUTIVE OFFICER**

At least monthly, the Chairman shall meet with the Chief Executive Officer to provide feedback and advice on behalf of the Board. On an ongoing basis, the Chairman shall communicate with the Chief Executive Officer, on behalf of the Board regarding concerns or comments of the Board, shareholders or other stakeholders.

**3. SUCCESSION**

The Chairman shall participate and provide input, as required, to the Corporate Governance and Nominating Committee on succession plans in respect of the Chairman position.

**4. STRATEGIC PLANNING**

At least annually, the Chairman shall ensure the Board reviews management's strategic planning initiatives and budgets, and ensure that quarterly updates thereto are provided by management to the Board for its review.

**5. COMMUNICATION WITH SHAREHOLDERS**

At least annually, in conjunction with the Board and the Chief Executive Officer, the Chairman shall review the Corporation's communication strategy and measures for receiving feedback from the shareholders.

**F. REPORTING TO THE BOARD**

The Chairman shall report to the Board on material matters arising in undertaking his or her functions and responsibilities under this mandate and, if necessary, shall make recommendations to the Board for its approval on these matters.

**G. CURRENCY OF THE CHAIRMAN'S MANDATE**

This mandate was last revised and approved by the Board on June 10, 2008.

## **XII. MANDATE OF THE CHIEF EXECUTIVE OFFICER**

This mandate has been developed and adopted by the Board pursuant to section 6 of the Corporation's Corporate Governance Policy.

### **A. PURPOSE**

The primary objectives of the role of the Chief Executive Officer ("CEO") are to lead the management of the Corporation business and affairs and to lead the implementation of the resolutions and policies of the Board of Directors (the "Board") of the Corporation.

### **B. APPOINTMENT AND REMOVAL OF THE CEO**

The CEO is appointed by the Board and shall serve at the pleasure of the Board in accordance with any employment contract entered into between the Corporation and the CEO, or until the CEO's resignation, retirement, disability or death.

### **C. EVALUATION OF THE CEO**

At least annually, the performance of the CEO shall be evaluated by the Compensation Committee of the Board.

### **D. ACCOUNTABILITIES AND RESPONSIBILITIES**

The CEO shall be accountable for all the functions set out below as well as for any other matters relating to the business and affairs of the Corporation that are delegated to the CEO by the Board.

In addition to these responsibilities, the CEO shall perform the duties required of a chief executive officer under the relevant provisions of the Business Corporations Act (British Columbia), binding requirements of stock exchanges on which the securities of the Corporation are listed and all other applicable laws.

### **E. GENERAL ACCOUNTABILITIES**

#### **1. CODE OF ETHICS AND VALUES**

The CEO shall demonstrate and adhere to the values of the Corporation in all activities, including overseeing employee adherence to the Corporation's Code of Ethics and values.

#### **2. STRATEGIC PLANNING**

The CEO shall determine and provide the Corporation's strategic planning initiatives, including its annual strategic, financial and capital plans and budgets, together with quarterly updates thereto, to the Board for its review and approval.

**3. OPERATIONAL DIRECTION OF THE CORPORATION**

The CEO shall supervise the day-to-day activities of the Corporation, either directly or through officers duly appointed by the Board.

The CEO shall directly supervise senior management and the discharge of their responsibilities.

**4. GOVERNANCE**

The CEO is responsible for the development, monitoring and management of an effective governance framework throughout the Corporation including its wholly owned subsidiaries.

**5. DELEGATION TO SENIOR OFFICERS**

The CEO has delegated to senior officers the matters set out in each senior officer's job description or contract of employment. The CEO may from time to time delegate other matters to senior officers as the CEO may reasonably see fit.

**6. RISK MANAGEMENT***a) GENERAL*

The CEO is responsible for providing the Board with reports regarding material risks associated with the Corporation's businesses and operations, the implementation by management of systems to manage these risks, and the operation of and any material deficiencies in these systems.

*b) CONTROLS*

The CEO is responsible for the establishment of internal, financial, non-financial and business control and information systems and for the application of appropriate standards of corporate conduct for these controls.

*c) CAPITAL EXPENDITURE AND INVESTMENT DELEGATION*

The CEO may delegate authority to certain senior officers of the Corporation with respect to approval limits for capital expenditures and investments as authorized from time to time by the Board.

**F. FINANCIAL INFORMATION**

The CEO, in conjunction with the Chief Financial Officer, is responsible for establishing and maintaining appropriate standards for all financial, management and regulatory reporting. Such standards must include preparing reports in a manner that meets audit, Board and regulatory authority requirements. Reports must be accurate, complete and timely.

**G. HUMAN RESOURCE MANAGEMENT****1. GENERAL**

The CEO is responsible for the Corporation's approach to human resource management and executive compensation.

**2. SUCCESSION REVIEW**

The CEO is responsible for presenting the Board with appropriate senior management succession plans for the Corporation on an annual basis as outlined in this mandate.

**3. INTEGRITY OF SENIOR MANAGEMENT**

The CEO is responsible for fostering a culture of integrity throughout the Corporation.

**H. COMMUNICATION**

The CEO shall be the principal official spokesperson for the Corporation. The CEO may, from time to time, delegate this authority to other senior officers of the Corporation or qualified external advisors such as investor relations consultants. The CEO, on an ongoing basis, shall be responsible for developing and enhancing effective systems for communicating with the Corporation's shareholders, customers, suppliers, employees and regulators and for developing and maintaining productive and effective corporate relations.

**I. CEO INTERACTION WITH THE BOARD****1. BOARD CONSIDERATION AND APPROVAL**

The CEO shall submit recommendations to the Board for its approval with respect to matters requiring Board approval under applicable law, matters which the CEO deems appropriate to be brought forward for Board consideration and approval, or as required by the Board mandate or requested by the Board.

These matters include the following:

- (a) the Corporation's major capital expenditures;
- (b) the Corporation's business, financial and capital plans;
- (c) the consideration of matters relating to senior management, including compensation, appointment, evaluation and termination;
- (d) the acquisition or disposition of material capital assets and investments;
- (e) the Corporation's involvement in material joint ventures;
- (f) the establishment or material amendment of significant Corporation policies and procedures;  
and

- (g) any other material matter which comes to the attention of the CEO in undertaking the CEO's functions or responsibilities under this mandate.

## **2. BOARD COMMITTEES**

The CEO, in conjunction with the Chairman of the Board and the Board committee chairs shall ensure that the Board committees are provided with the resources they require to fulfill their respective mandates, including, when requested, access to senior management and to external advisers. The CEO shall receive notices and materials, where appropriate, for Board and committee meetings, including minutes of prior meetings and, where appropriate, shall attend meetings of the Board and its committees.

## **3. INTERACTION WITH CHAIRMAN OF THE BOARD**

On an ongoing basis, the CEO shall work with the Chairman of the Board to:

- (a) Develop schedules and agendas of meetings of the Board and its committees and verify that all items requiring Board and committee approval or consideration, including minutes of prior meetings, are appropriately tabled;
- (b) Provide opportunities for the Board to evaluate senior management; and
- (c) Review the Corporation's strategic direction and strategic planning initiatives.

## **J. CURRENCY OF THE MANDATE**

This mandate was last revised and approved by the Board of Directors on **June 10**, 2008.

### **XIII. MANDATE OF A BOARD COMMITTEE CHAIRMAN**

This mandate has been developed and adopted by the Board pursuant to section 6 of the Corporation’s Corporate Governance Policy.

#### **A. PURPOSE**

The primary functions of a Board Committee Chairman are to provide effective leadership of the Board committee for which he or she is appointed chair, facilitate the operations and deliberations of that committee and oversee the satisfaction of that Committee’s functions and responsibilities under its mandate.

#### **B. GENERAL**

**Appointment and Removal of a Committee Chairman** - The Chairman of a Board committee shall be elected annually by the members of the Board at the time of the annual appointment of the members of the related Board committee or upon the resignation, death, disqualification or removal the Chairman. Chairman shall serve at the pleasure of the Board, or until the earlier of the close of the next annual general meeting, the death of the Chairman or the resignation, disqualification or removal of the Chairman from the Board.

**Qualifications** - The Chairman shall be a member of the Board and satisfy the independence standards established by the Board and any additional independence standards required for a Board committee under applicable law.

**Access to Management and Outside Advisers** - The Chairman shall have unrestricted access to management and employees of the Corporation. The Chairman shall have the authority to retain and terminate external legal counsel, consultants or other advisers to assist him or her in fulfilling his or her responsibilities and to set and pay the respective compensation for these advisers without consulting or obtaining the approval of the Board or any officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Chairman, for the services of these advisers.

#### **C. ACCOUNTABILITIES AND RESPONSIBILITIES**

The Chairman shall have the accountabilities and responsibilities set out below as well as any other matters that are specifically delegated to the Chairman by the Board. In addition to these accountabilities and responsibilities, the Chairman shall perform any duties required of a Board committee by the Business Corporations Act (British Columbia), binding requirements of the stock exchanges on which the securities of the Corporation are listed, and all other applicable laws.

#### **D. COMMITTEE MANAGEMENT**

##### **1. CHAIRMAN OF COMMITTEE MEETINGS**

The Chairman shall chair meetings of the Board committee for which he or she is appointed as chairman.

**2. TIED VOTE**

The Chairman may vote on any matter requiring a vote at a meeting of the Board committee for which he or she is appointed as chair and shall provide a second vote in the case of a tie vote.

**3. COMMITTEE MEETINGS**

The Chairman shall work with the Chairman of the Board to schedule meetings for each meeting of the Board committee for which he or she is appointed as chairman and shall set the agenda for each committee meeting. Each committee meeting agenda shall include reviews of appropriate operating and strategic issues, plus any other matters requiring approval of, or consideration by, the committee under the committee's mandate and allot sufficient time for the committee to complete these matters.

**4. COMMITTEE MANDATE**

The Chairman shall co-ordinate compliance by the Board committee for which he or she is appointed as chairman with the committee's mandate.

**5. ADVISORY MATTERS**

The Chairman may meet with the applicable management representative to provide feedback and advice on behalf of the Board committee for which he or she is appointed as chairman regarding concerns or comments of the committee, shareholders or other stakeholders.

**6. SUCCESSION**

The Chairman shall participate and provide input, as required, on succession plans in respect of that committee chair position.

**E. REPORTING TO THE BOARD**

The Chairman shall report to the Board on material matters addressed by the Board committee for which he or she is appointed as chairman and shall make available to the Board the presentations considered by the committee and the minutes of the meeting.

**F. COMMITTEE MEMBER DEVELOPMENT**

The Chairman shall co-ordinate orientation and continuing director development programs relating to the mandate of the Board committee for which he or she was appointed as chairman, when appropriate.

**G. CURRENCY OF THE CHAIRMAN'S MANDATE**

This mandate was last revised and approved by the Board on **June 10, 2008**.