



# AURIZON MINES LTD.

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

### **I. Board's Purpose**

The duties and responsibilities of Directors follow from applicable corporate laws, as well as those duties and responsibilities generally agreed and approved by the Board of Directors.

Directors are accountable to the shareholders of the Company.

### **II. Board's Mandate**

The Board of Directors shall further the objectives of the Company by directing, supervising and otherwise reviewing and approving the stewardship of the Company.

All material transactions must be reviewed and approved by the Board prior to implementation. Any responsibility that is not delegated to senior management or a Board committee remains with the full Board. One of the Board's responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board relies on management for the preparation of periodic reports, and to provide the support and information necessary to enable the Board to fulfill its obligations effectively.

The Board has the responsibility to participate with management in developing and approving the mission of the business, its objectives and goals, the strategic plans arising therefrom, and monitoring subsequent performance against said plans. Such planning takes into account, among other things, the principal opportunities and risks of the Company's business. Strategic issues are reviewed with management and addressed by the full Board at regularly scheduled Board meetings and at meetings specifically called for this purpose. The Board's strategic planning process involves having regular Board meetings to review reports on the Company's operations, exploration and development programs, meeting with management on a regular basis, and reviewing business opportunities as presented by management.

The Board also meets at least once annually to: plan for the future growth of the Company; identify the principal risks of the Company's business; review existing systems to identify risks and, where applicable, recommend the implementation of appropriate systems to manage such risks and systems designed to ensure timely disclosure of material transactions through the issuance of news releases and financial statements; and monitor senior management. The Board reviews financial performance quarterly. Frequency of meetings as well as the nature of agenda items change depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces.

### **III. Composition**

The Board of Directors shall comprise a majority of individuals who qualify as independent directors based on the criteria set forth in National Instrument 52-110 (“NI 52-110”)

In deciding whether a particular Director is an “independent Director” or a “non-independent Director”, the Board of Directors shall examine the factual circumstances of each Director and consider them in the context of NI 52-110 and other factors considered to be relevant.

If the corporation has a significant shareholder, in addition to a majority of independent directors, the Board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the Board of Directors.

### **IV. Independence from Management**

All committees of the Board shall be made up of at least a majority of independent directors. The Compensation Committee, Audit Committee and Nominating Committee must all be entirely independent.

In addition, if the Chairman is also not independent of the Company, then the Board shall designate an independent director to serve as “Lead Director” with the responsibility to ensure that the Board executes its mandate effectively, efficiently and independently of management.

The Company’s Board Committees are authorized to approve, in circumstances that each considers appropriate, the engagement of outside advisers at the Company’s expense.

### **V. Responsibilities and Duties**

The Board’s mandate includes the following duties and responsibilities:

- Reviewing and approving any proposed changes to the Company’s Notice of Articles or Articles.
- Reviewing and authorizing/directing appropriate action with respect to, any take-over bid, proposed merger, amalgamation, arrangement, acquisition of all or substantially all of the assets or any similar form of business combination, including the approval of any agreements, circulars or other documents in connection therewith.
- Approving payment of distributions to shareholders.
- Approving any offerings, issuances or repurchases of share capital or other securities.

- Approving the establishment of credit facilities and any other long-term commitments.
- Satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization.
- Selecting and appointing, evaluation of and (if necessary) termination of the CEO.
- Succession planning and other human resource issues.
- Developing the Company's approach to corporate governance, including a set of corporate governance principles and guidelines specifically applicable to the Company.
- Adopting a strategic planning process, approving long-range strategic plans, taking into account, among other things, the opportunities and risks of the business, and monitoring performance against plans.
- Reviewing and approving annual operational budgets, capital expenditures and corporate objectives, taking into account, among other things, the opportunities and risks of the business and monitoring performance for each of the foregoing items.
- Identifying and reviewing principal risks of the Company's business; determining, with input from management and standing committees, what risks are acceptable; and, where appropriate, ensuring that systems and procedures are put in place to monitor and manage risk.
- Reviewing policies and processes, as recommended by the Company's Audit Committee, to ensure that the Company's internal control and management information systems are operating properly.
- Approving the financial statements and MD&A, and making a recommendation to shareholders for the appointment of auditors.
- Approving the Company's code of business ethics, which includes a communications policy for the Company and monitoring its application.
- Assessing the contribution of the Board, committees and all directors annually, and planning for succession of the Board.
- Arranging formal orientation programs for new directors, where appropriate.

## **VI. Expectations and Responsibilities of Directors**

The Board has adopted a set of guidelines for individual directors which sets forth the expectations and responsibilities of directors. The guidelines prescribe, among other things, the requirements that directors demonstrate integrity and high ethical standards in the performance of their duties, observe their fiduciary duty to the Company, avoid conflict by reporting to the Board potential or actual conflict situations, regularly attend

and prepare for Board and committee meetings and comply with the policies and guidelines established for the Company.

## **VII. Directors' Remuneration and Expenses**

The independent directors' remuneration is fixed by the Board upon the recommendation of the Compensation and Human Resources Committee. The Directors are also entitled to be reimbursed for reasonable traveling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof or in connection with their services as Directors.

## **VIII. Proceedings of the Board**

Proceedings of the Board shall be conducted in accordance with the Company's Articles. The powers of the Board may be exercised at a meeting at which a quorum is present or, in appropriate circumstances, by resolution in writing signed by all the directors.

### **Chairman**

The Chairman of the Board is elected annually at the first meeting of the Directors following the shareholders meeting.

### **Board meetings shall normally proceed as follows:**

- Review and approval of the minutes of the preceding meeting;
- Business arising from the previous minutes;
- Reports of committees;
- President's report, financial and operational reports;
- Other business;
- Setting the date and time of the next meeting;
- Private session for non-executive directors, without the presence of management; and
- Adjournment

## **IX. Communications from Stakeholders**

Stakeholders may communicate with the Company by contacting the Corporate Secretary at the Company's head office address or through the Company's website and, if a stakeholder so requests, comments in writing provided by stakeholders will be forwarded to the independent directors. Stakeholders should be prepared to identify themselves as a condition to having their comments forwarded to the independent directors.

This Board of Directors Mandate, as amended from time to time, was initially adopted by the Board of Directors of Aurizon Mines Ltd. on the 3<sup>rd</sup> day of April 2003.

By order of the Board of Directors  
AURIZON MINES LTD.