

## **GOLDSOURCE MINES INC.**

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

The directors of the Company are responsible for managing the business and affairs of Goldsource Mines Inc. (the “Company”) and, in doing so, must act honestly and in good faith with a view to the best interests of the Company.

The Board’s mandate includes setting long-term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives, and supervising senior management who are responsible for the implementation of the Board’s objectives and day-to-day management of the Company. The Board retains a supervisory role and ultimate responsibility for all matters relating to the Company and its business.

The Board discharges its responsibilities both directly and through its committees, including the Audit Committee and the Corporate Governance and Compensation Committee (“Corporate Governance Committee”). The Board may also appoint ad hoc committees periodically to address issues of a more short-term nature.

Specific responsibilities of the Board include the following:

#### ***Board Organization***

1. The Board takes into account recommendations of the Corporate Governance Committee, but retains responsibility for managing its own affairs by giving its approval of its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation. When the Chair of the Board is not an independent director, the independent directors of the Board shall designate an independent director to be the lead director. The Board is responsible for determining the roles and responsibilities of the independent Chair or, if applicable, lead director. The Board shall annually evaluate the independence of the Chair or, if applicable, lead director.
2. The Board may delegate to Board committees matters that the Board is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
3. The Board is responsible for ensuring that measures are taken to orient new directors regarding the role of the Board, its committees and its directors and the nature and operation of the Company’s business. The Board is also responsible for ensuring that measures are taken to provide continuing education for its directors to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors.
4. The Board shall annually review the performance of the Board and its committees against their respective charters and mandates and disclose the process in all applicable public documents. The Board shall also annually evaluate the performance of individual directors, the performance of the Chair and the performance of the lead director, if any.

### ***Management***

5. The Board is responsible for approving the appointment of the officers of the Company. The Board, together with the Chief Executive Officer (or President, if there is no Chief Executive Officer) of the Company, may develop a position description for the Chief Executive Officer or President (as the case may be) if desired.
6. The Board approves the compensation of officers and reviews and approves the Company's incentive compensation plans. In doing so, the Board takes into account the advice and recommendations of the Compensation Committee.
7. The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business, are reviewed by and are subject to the prior approval of the Board.
8. The Board ensures that adequate plans are in place for management development and succession.
9. The Board assumes a more direct role in managing the business and affairs of the Company during any period of crisis or emergency.

### ***Strategic Planning***

10. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the goals and objectives of the Company.
11. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Company may reach those goals.
12. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
13. The Board will consider alternative strategies in response to possible change of control transactions or takeover bids with a view to maximizing value for shareholders.

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

14. The Board is responsible for enhancing the alignment of shareholder expectations, Company plans and management performance.
15. The Board is responsible for adopting processes for monitoring the Company's progress toward its strategic and operational goals and revising its direction to management in light of changing circumstances affecting the Company; and
16. Directly and through the Audit Committee, the Board assesses the integrity of internal control over financial reporting and management information systems.
17. The Board reviews and approves capital, operating and exploration and development expenditures including any budgets associated with such expenditures.
18. The Board is responsible for approving the annual audited financial statements and, if required by applicable securities legislation, the interim financial statements, and the notes and

Management's Discussion and Analysis accompanying such financial statements. The Board may delegate responsibility for approving interim financial statements to the Audit Committee.

19. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business, including material investments, acquisitions and dispositions of material capital assets, material capital expenditures, material joint ventures, and any other major initiatives outside the scope of approved budgets.
20. The Board approves those matters that are required under the Company's governing statute to be approved by the directors of the Company, including the issuance, purchase and redemption of securities and the declaration and payment of any dividends.

### ***Risk Management***

21. The Board is responsible for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Company and achieving a proper balance between the risks incurred and the potential return to the Company's shareholders.
22. The Board monitors the conduct of the Company and ensures that it complies with applicable legal and regulatory requirements.

### ***Policies and Procedures***

23. The Board is responsible for approving and monitoring compliance with all significant policies and procedures by which the Company is operated and approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations. The Board is responsible for adopting a written code of ethical business conduct for the directors, officers and employees of the Company and is responsible for establishing procedures to monitor compliance with the code and to encourage and promote a culture of ethical business conduct.
24. The Board is responsible for taking steps to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
25. The Board shall enforce its policy respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

### ***Communications and Reporting***

26. The Board is responsible for approving a Corporate Disclosure Policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company is conducted.
27. The Board is responsible for ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.