

# AFRICAN GOLD GROUP, INC.

## CHARTER OF THE BOARD OF DIRECTORS

### 1. PURPOSE

The Board of Directors (the “**Board**”) of African Gold Group, Inc. (the “Company”) is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Human Resources and Compensation Committee, and the Corporate Governance and Nominating Committee. The Board shall meet at least quarterly to review the business, operations, corporate governance and financial results of the Company. Meetings of the Board shall also include on a regular basis and as required, meetings of the independent members of the Board without management being present.

### 2. COMPOSITION

The Board shall be constituted at all times of a majority of independent directors in accordance with National Policy 58-201 – Corporate Governance Guidelines. The Chairman of the Board should also be independent or alternatively the Board will appoint an independent lead director. A director is considered to be “independent” if he or she has no direct or indirect material relationship which could in the view of the Board reasonably interfere with the exercise of a director’s independent judgment. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees.

### 3. RESPONSIBILITIES

The Board’s mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- (a) The assignment to committees of directors of the Company the general responsibility for developing the Company’s approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors, officers and employees; and (iii) corporate governance issues and matters relating to nomination of directors.
- (b) The formation of committees of the Board when it is deemed appropriate by the Board to deal with specific issues that arise.
- (c) With the assistance of the Corporate Governance and Nominating Committee:
  - Developing the Company’s approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Company.
  - Reviewing the composition of the Board and ensuring it meets its independence criteria.

- To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the Company.
  - Assessing at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, considering the appropriate size of the Board.
  - Ensuring that an appropriate review and selection process for new nominees to the Board is in place.
  - Ensuring that an appropriate orientation and education program for new members of the Board is in place.
  - Approving disclosure and securities compliance policies, including communications policies of the Company.
  - Reviewing and approving the formal charters of the committees of the Board.
- (d) With the assistance of the Audit Committee:
- Ensuring the integrity of the Company's internal controls and management information systems.
  - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
  - Identifying the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks, including, without limitation, implementing currency and metals hedging programs, as deemed appropriate.
  - Reviewing and approving significant operational and financial matters and providing direction to management on these matters.
  - Approving annual and interim financial statements of the Company together with the annual management's discussion and analysis, unless such approval is specifically delegated to the Audit Committee of the Board.
  - As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
- (e) With the assistance of the Human Resources and Compensation Committee, establishing appropriate performance criteria for the senior management of the Company, and approving the compensation of the senior management and the directors.
- (f) With the assistance of the Chief Executive Officer, monitoring and reviewing feedback provided by the Company's shareholders.
- (g) Succession planning including selecting, appointing, training, monitoring, evaluating and, if necessary, replacing senior management to ensure management succession.
- (h) Adopting a strategic planning process and approving, at least annually, a strategic plan that takes into account business opportunities and business risks identified by the Board and/or a committee of the Board and monitoring performance against such plans.

- (i) Reviewing and approving corporate objectives and goals applicable to the Company's senior management and monitoring realization of those objectives.
- (j) Reviewing with senior management:
  - major corporate decisions which require approval of the Board and approving such decisions as they arise;
  - major capital expenditure decisions in excess of thresholds previously authorized in a budget or by resolution of the Board; and
  - material decisions relating to senior personnel, major property acquisitions or divestments, major investments, and other decisions, where deemed appropriate.
- (k) Performing such other functions as prescribed by law or assigned to the Board in the Company's constating documents and by-laws.

#### 4. MISCELLANEOUS

4.1 The members of the Board are expected to attend all meetings of the Board unless prior notification of absence is provided.

4.2 The members of the Board are required to have reviewed meeting materials provided in advance of the meeting and be prepared to discuss such materials at the meeting, to actively participate in deliberations, and to take full responsibility for decisions of the Board.

4.3 Members of the Board will treat their fellow Board members with respect.

4.4 The members of the Board should endeavour to avoid conflicts between their own personal interests and those of the Company and, where conflicts exist, to fully disclose such conflicts to the Board and refrain from participating in decisions relating to the subject matter of such conflicts.

## SCHEDULE “A”

### POSITION DESCRIPTION FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

#### 1. PURPOSE

The Chairman of the Board of Directors of the Company (the “**Board**”) shall be an independent director who is designated by the Board to act as the leader of the Board.

#### 2. WHO MAY BE CHAIRMAN

The Chairman will be selected amongst the directors of the Company who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Chairman will be selected annually at organizational meeting of the Board immediately following the annual meeting of shareholders.

#### 3. RESPONSIBILITIES

The following are the responsibilities of the Chairman. The Chairman may delegate or share, where appropriate, certain of these responsibilities with the Corporate Governance and Nominating Committee and/or any other independent committee of the Board:

- (a) Chairing all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Providing leadership to the Board to enhance the Board’s effectiveness, including:
  - Ensuring that the responsibilities of the Board are well understood by both management and the members of the Board;
  - Ensuring that the Board works as a cohesive team with open communication;
  - Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.
- (c) Managing the Board, including:
  - Preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail
  - Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

- Ensuring meetings are appropriate in terms of frequency, length and content;
- Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
- Ensuring that a succession planning process is in place to appoint senior members of management when necessary; and
- Working with the Corporate Governance and Nominating Committee and approaching potential candidates, when such are identified, to consider their interest in joining the Board.

(d) Acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee to ensure that the Company is building a culture of integrity and good governance.

(e) At the request of the Board, representing the Company to external groups such as shareholders and other stakeholders, including community groups and governments.

## **SCHEDULE “B”**

### **ROLE STATEMENT OF THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer’s primary role is to manage the Company in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board of Directors of the Company (the “Board”) in the context of the Company’s strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value. The Chief Executive Officer is responsible to the Board.

Without limitation to the foregoing, the Chief Executive Officer is responsible for the following:

- (a) Maintain and develop the Company’s goal of enhancing shareholder value by being a successful and profitable exploration, development and mining company.
- (b) Maintain and develop with the Board strategic plans for the Company and successfully implement such plans.
- (c) Provide quality leadership to the Company’s staff and ensure that the Company’s human resources are managed properly.
- (d) Provide high-level policy options, orientations and discussions for consideration by the Board.
- (e) Maintain existing and develop new strategic alliances and consider possible merger or acquisition transactions with other mining companies which will be constructive for the Company’s business and will help enhance shareholder value.
- (f) Provide support, co-ordination and guidance to various responsible officers and managers of the Company.
- (g) Ensure communications between the Company and major stakeholders, including and most importantly, the Company’s shareholders, are managed in an optimum way and are done in accordance with applicable securities laws.
- (h) Provide timely strategic, operational and reporting information to the Board and implement its decisions in accordance with good governance, with the Company’s policies and procedures, and within budget.
- (i) Act as an entrepreneur and innovator within the strategic goals of the Company.
- (j) Co-ordinate the preparation of an annual business plan.
- (k) Ensure appropriate governance skills development and resources are made available to the Board.

(1) Comply at all times with laws and the Company's Codes of Business Conduct and Ethics and Financial Reporting Officers Code of Ethics and ensure to provide a culture of high ethics throughout the organization.

## **SCHEDULE “C”**

### **POSITION DESCRIPTION FOR THE LEAD DIRECTOR**

The Lead Director will:

- (a) In conjunction with the Chair of the Corporate Governance and Nominating Committee and the Chair of the Human Resources and Compensation Committee, provide leadership to ensure that the Board functions independently of management of the Company;
- (b) In the absence of the Chairman, act as chair of meetings of the Board;
- (c) Recommend, where necessary, the holding of special meetings of the Board;
- (d) Review with the Chairman and the Chief Executive Officer items of importance for consideration by the Board;
- (e) Consult and meet with any or all of the Company’s independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Company concerning corporate governance issues and other matters;
- (f) Together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Company;
- (g) Together with the Chairman and the Chairs of the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Company understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
- (h) Mentor and counsel new members of the Board to assist them in becoming active and effective members;
- (i) Facilitate the process of conducting director evaluations;
- (j) Promote best practices and high standards of corporate governance; and
- (k) Perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.