

# **AUGUSTINE VENTURES INC.**

## **STATEMENT OF CORPORATE GOVERNANCE**

### **1.0 Directors, Officers and Senior Management**

The Board of Directors is responsible for overseeing management of Augustine Ventures Inc. (the "Company") and determining the Company's strategy. Management is responsible for the Company's day-to-day operations, proposing its strategic direction and presenting budgets and business plans to the Board of Directors for approval. The Board looks to management to keep it apprised of all significant developments affecting the Company and its operations. All major acquisitions, dispositions and investments, as well as significant financings and other significant matters outside the ordinary course of the Company's business, are subject to approval by the Board of Directors. Action by the Board of Directors or Committees may be taken at a regularly held meeting or at a meeting held by conference call or by written consent.

The size of the Board is authorized by the Articles of Incorporation. The Company will at all times maintain a minimum of three (3) and a maximum of nine (9) directors of which at least two (2) directors must have expertise in mineral explorations and two (2) directors must have satisfactory experience as a board members of public companies. The Company will be required to have at least 2/3 of its board composed of external independent directors. The Board must be large enough to benefit from a wide variety of ideas and viewpoints without compromising independence and open communication channels. All directors, officers and senior management must meet the minimum qualification of the applicable exchange. The Company must have an experienced Board of Directors that will make a significant contribution to its success. The Board must be satisfied that it is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board to function independently. The Board may from time to time hold regular executive sessions during which the independent directors meet in the absence of the non-independent directors. The independent directors will elect a Lead Director to preside at the executive sessions and sessions of independent directors and to perform such other duties as the Board may determine.

#### *External Unrelated Directors*

The Company will from time to time require additional new independent external directors. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholdings. New external directors will be appointed by unanimous approval of the existing Board or election by shareholders at the next annual meeting. External directors must be qualified according to the Company's qualification standards and may be drawn from the financing community, existing shareholder base, professionals in the mining community in Canada or any other person deem qualified by the Board.

#### *Management and Senior Officers*

The Company's management and senior officers must have amongst them sufficient industry experience, technical experience and public company management experience to the satisfaction of the Board. The Company will at all times have a CEO and a CFO who is not the same person.

The Company maintains a written “Board of Directors – Charter”.

## **2.0 Audit Committee**

The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company’s financial statements and other relevant public disclosures, the Company’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

The Committee is responsible for retaining and terminating, and/or making recommendations to the Board and the shareholders relating to the retention or termination of, the external auditors and communicating to them that they are ultimately accountable to the Committee and the Board as the representatives of the shareholders. The Audit Committee also reviews the external audit plan and the results of the audit, reviews with the external auditors any audit problems or difficulties and management’s response, approves all audit engagement fees and terms and pre approves all permitted non-audit services to be performed by the external auditors. The Committee reviews and recommends to the Board for approval the Company’s annual financial statements and related management’s discussion and analysis of financial and operating results. The Committee also reviews and approves the Company’s quarterly consolidated financial statements and related management’s discussion and analysis of financial and operating results. The Committee discusses with management the adequacy of the Company’s system of internal controls, as well as the Company’s internal audit mandate and responsibilities.

The Committee has the ability to communicate directly with the Company’s internal and external auditors. All of the members of the Committee are financially literate and at least one member has accounting or related financial management expertise. The Committee establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee has set a hiring policy for employees or former employees of the external auditors. The Committee may from time to time meetings during which it meets with the internal auditors and external auditors without the presence of management. The mandate of the Committee empowers it to retain legal, accounting or other advisors and requires the Committee to evaluate the functioning of the Committee on an annual basis.

The audit committee requires a charter, and checklists for review of annual and interim financial statements, which is attached hereto and available at the head office of the Company.

The Company maintains a written “*Audit Committee – Charter*”.

## **3.0 Compensation Committee**

The purpose of the Compensation Committee is to review and make recommendations to the Board with respect to the Company’s compensation policies and practices, reviewing and making recommendations to the Board with respect to the compensation of the Chairman and of the Chief Executive Officer, reviewing and approving the compensation of all other senior management, with respect to senior executives and administering the Company’s stock option plan. The

Compensation Committee bases its recommendations on the Company's established policies and on the performance of the individual and of the Company.

The Compensation Committee will be comprised of 2 unrelated and 1 related directors.

The Company maintains a written "*Compensation Committee – Charter*".

#### **4.0 Corporate Governance Committee**

The purpose of the Corporate Governance Committee is to assist the Board in establishing the Company's corporate governance policies and practices generally and to ensure proactive compliance with National Instrument 51-102.

The Committee will also carry out an extensive review of the Company's corporate governance practices and procedures, develop evaluation procedures, carry out an evaluation of the functioning of the Board and its Committees and assist in developing a set of Corporate Governance Guidelines and a Conduct, Practices and Ethics Guidelines. The Conduct, Practices and Ethics Guidelines addresses, among other things: conflicts of interest; compliance with laws and regulations; corporate opportunities; protection and proper use of Company assets; confidentiality; and fair dealing. In conjunction with the adoption of the Code, the Company has established a non reprisal system to allow for any reporting of any suspected Code violations, including concerns regarding accounting, internal accounting controls, or other auditing matters.

A copy of the Corporate Governance Guidelines, the Conduct, Practices and Ethics Guidelines and the mandates of each of the Committees of the Board, including the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee is available at the head office of the Company.

The Corporate Governance Committee will review its practices on a regular basis to ensure that it is in compliance with evolving laws and regulations.

The Corporate Governance Committee will be comprised of 3 unrelated directors.

The Company maintains a written "*Corporate Governance Committee - Charter*".

#### **5.0 Nominating Committee**

The purpose of the, identifying individuals qualified to become members of the Board, reviewing the composition of the Board and its Committees, evaluating the functioning of the Board and its Committees on an annual basis, and making recommendations to the Board of Directors as appropriate.

The Committee's mandate provides that in considering nominees to the Board of Directors, the Committee shall consider the current composition of the Board and assess the ability of candidates to contribute to the effective oversight of the management of the Corporation, taking into account the needs of the Company and the individual's background, experience, perspective, skills and knowledge that are appropriate and beneficial to the Company. New members of the Board of Directors are provided with the necessary information about the Company its business and the factors that affect its performance by management and by other members of the Board. The mandate of the Committee empowers it to retain legal or other advisors, including any search firm to be used to identify candidates for nomination as directors, and requires the Committee to

evaluate the functioning of the Committee on an annual basis. The Committee may meet from time to time as deemed necessary in the absence of management.

The Nominating Committee will be comprised of 3 unrelated directors.

## 6.0 Shareholder Communications

The Company has procedures in place to provide for effective communications with its shareholders. The Company's management includes a corporate development specialist experienced in, and dedicated to, working closely with members of the investment community, institutional investors and individual shareholders, and the Company has procedures in place to obtain and appropriately deal with feedback from its shareholders.

Shareholders may communicate directly with the Chairman of the Corporate Governance and Nominating Committee by sending correspondence, marked to the attention of the Chairman of the Corporate Governance and Nominating Committee, care of the Secretary at the address of the Company. The Company's Corporate Governance Guidelines require that directors make every effort to attend the annual meeting of shareholders.

The Company retains Equity Transfer and Trust Company ("Equity") as its transfer agent and registrar. The role of Equity is to maintain a record of its current registered shareholders, each allotment or issuance and a record of each transfer of ownership of the securities of the Company.

## 7.0 Insider Trading

The Company is committed to disseminating news respecting Material Information in accordance with applicable Securities Laws and applicable exchange requirements. The Company has retained the services of a national disseminator approved by the applicable exchange for all timely disclosures. All directors, officers, managers, employees and consultants are **STRICTLY PROHIBITED** from trading on undisclosed material information.

The Board and management will ensure that all material information relating to the business affairs of the Company is fully and properly publicly disclosed in a timely manner. Furthermore, all directors, officers, management, employees, consultants and insiders have been provided with the Company's Insider Trading Policy with respect to the legal and regulatory restrictions on trading on undisclosed material information and the legal and regulatory implications of tipping and insider trading.

The Company will restrict, control and monitor access to all material information relating to its business affairs, and the business affairs of its Associates and Affiliates as defined by applicable Securities Laws and the applicable exchange. The Company also requires that all Insiders and Persons in a "special relationship" (as defined by applicable Securities Laws and the applicable exchange) who may have access or may reasonably believe to have access to non public material information of the Company to refrain from trading in the Company's securities until some set time or until the material information has been properly publicly disseminated.

The Company will ensure that no information is published which would be a misrepresentation including non disclosure of a material fact or disclosure of an untrue statement. The Company will also take all necessary and reasonable steps to ensure that any of its Associates and Affiliates as

defined by applicable Securities Laws and the applicable exchange is compliant in this regard as well.

With respect to information posted on the Internet or through “chat rooms” the Company considers this an unauthorized forum for information and its directors, officers, managers, employees and consultants are **STRICTLY PROHIBITED** from posting any undisclosed information in such forum.

All Insiders are required to publicly disclose their respective interests in the Company and are required to comply with applicable requirements with respect to their acquisition or disposition of interests in the Company.

Similarly, the Company treats as very important the disclosure of any interests that Insiders may have in material transactions involving the Company, its Associates, Affiliates and Persons in a “special relationship” as defined by applicable Securities Laws and the applicable exchange. All interest of insiders in material transactions will be disclosed and all conflict of interest issues will be resolved. Directors and senior management must immediately disclose in writing to the Board any proposed transaction which may be viewed as a conflict of interest. The board has full discretion to approve or disapprove the proposed transaction and the individuals involved in such a proposed transaction must refrain from voting on these issues. Should the proposed transaction be approved by the majority of the Board (disinterested votes), then the Company must immediately publicly disclose the proposed transaction.

The Company maintains a written “*Insider Trading Policy*”, a written “*Related Party Transaction Policy and Procedure*” and a written “*Social Media Policy*”.