

TALON METALS CORP

Mandate and Charter of the Board of Directors

Approved by:
Board of Directors

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I. TERMS OF REFERENCE

AND WHEREAS Talon Metals Corp (the “Corporation/Company”)

AND WHEREAS the Company is, in turn, governed by its board of directors (the "Board");

AND WHEREAS, the Board is responsible for the stewardship of the Corporation.

AND WHEREAS in discharging its responsibility, the Board will exercise the care, diligence, and skill that a reasonably prudent person would exercise in circumstances and will act honestly and in good faith with a view to the best interests of the Corporation and shall, in general terms, endeavor to:

- a) in consultation with the chief executive officer (The "CEO"), define the principal objective(s) of the Corporation.
- b) supervise the management of the business and affairs of the Corporation with the goal of achieving its principal objective(s) as defined by the Board;
- c) discharge the duties imposed on the Board by applicable laws; and
- d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

The following shall be the mandate and charter of the Board of Directors of the Corporation:

II. OPERATING PRINCIPLES

The Board shall fulfill its responsibilities within the context of the following principles:

1. Board Values

The Board expects the management of the corporation to operate in compliance with any applicable code of conduct and corporate policies; with laws and regulations governing the corporation and to maintain strong reporting and control processes.

2. Communications

The Chairman of the Board (and others on the Board) expects to have direct, open and frank communications throughout the year with management, the Chairs of the committees, and other key Board advisors as applicable.

3. Knowledge of Business

All Board members should be sufficiently versed in financial matters to understand business to assist in providing advice and counsel on the business and affairs of the Corporation.

4. Meeting Agenda

Board meeting agendas shall be the responsibility of the Chairman of the Board in consultation with Board members and senior management.

5. Board Expectations and Information Needs

The Board shall communicate its expectations to management with respect to the nature, timing, and extent of its information needs. The Board expects that written materials will be received from management and external counsel at least one week in advance of meeting dates.

6. External Resources

To assist the Board in discharging responsibilities, the Board may at the expense of the Corporation retain one or more persons having special expertise.

7. In Camera Meetings

At the end of, or during, each meeting of the Board, the members of the Board shall meet in private sessions without management and with or without the external counsel.

III. COMPOSITION AND MEETINGS

1. Board shall consist of a sufficient number of directors, as determined from time to time, elected annually by the Shareholders pursuant to the following terms:

- i. the majority of whom should be independent directors (within the meaning of National instrument 58-101 - Disclosure of Corporate Governance Practices) and free from any business or other relationship that could, or could reasonably be perceived to, impair the exercise of independent judgment; and
- ii. each should have or obtain sufficient knowledge of the Corporation and the gold mining business to assist in providing advice and counsel on relevant issues.

The composition of the Board shall also satisfy such other independence, financial literacy and other requirements of law, the Toronto Stock Exchange as may be applicable from time to time. The Board shall appoint one member as Chairman of the Board.

2. The members of the Board maybe, pursuant to the terms of the articles and memorandum of incorporation be removed or replaced, and any vacancies on the Board shall be filled by the Board. If and whenever a vacancy shall exist, the remaining members of the Board may exercise, pursuant to the terms of the articles and memorandum of incorporation all of its powers and responsibilities so long as a quorum remains in office.
3. The Board shall meet at least four times annually or more frequently as circumstances dictate, or as deemed appropriate by the Chairman of the Board, provided that:
 - a. meetings may be called by the Chairman of the Board, at the request of any member of the Board, or at the request of the President and CEO;
 - b. a meeting of the Board maybe called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting;
 - c. the Board shall meet at the end of, or during, its regular quarterly meeting, without members of management being present;
 - d. the CEO or his designate(s) maybe present at all meetings of the Board; and
 - e. Vice-Presidents and such other staff as are appropriate to provide information to the Board shall attend meetings at the invitation of the Board.
4. Any member of the Board may participate in the meeting of the Board by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
5. The Corporate Secretary shall act as secretary at all meetings, provided, however, the Board may, from time to time, appoint any person, who need not be a member, to act as a secretary at any meeting.
6. Any matters to be determined by the Board shall be decided by a majority of votes cast at a meeting of the Board called for such purpose; actions of the Board may be taken by an instrument or instruments in writing signed by all of the members of the Board, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Board called for such purpose.
7. In the absence of the Chairman of the Board, the members of the Board shall appoint an acting Chairman
8. Minutes of each meeting shall be prepared and a copy of the minutes of each meeting of the Board shall be provided to each director in a timely fashion.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Board shall:

Executive Team Responsibility

1. Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed objectives directed at maximizing unitholder value.
2. In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
3. Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
4. Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

5. Annual review and adoption of a strategic planning process and approval of the strategic plan, which takes into account, among other things, the opportunities and risks of the business.
6. Ensure that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
7. Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
8. Ensure that an adequate system of internal control exists.
9. Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding financial and other disclosure.
10. Review and approve the quarterly and annual financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.
11. Approve annual operating and capital budgets.
12. Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.
13. Review operating and financial performance results relative to established strategy, budgets and objectives *Integrity/Corporate Conduct*
14. Establish a communications policy or policies to ensure that a system for corporate communications to all shareholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from shareholders.

15. Approve a Code of Business Ethics for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Code for officers and directors.
16. To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the corporation and that the CEO and other executive officers create a culture of integrity throughout the corporation.

Board Process/Effectiveness

17. Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
18. Engage in the process of determining Board member qualifications with the Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
19. Approve the nomination of directors.
20. Provide a comprehensive orientation to each new director.
21. Establish an appropriate system of Corporate Governance including practices to ensure the Board functions independently of management.
22. Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
23. Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
24. Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
25. Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
26. Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation invests, or is contemplating potential investment.
27. Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.

28. In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's Charter, by-laws, or other governing documents, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

Delegation

29. The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
30. Subject to terms of the Disclosure Policy and other policies and procedures of the Corporation the Chairman of the Board will act as a liaison between the Corporation and the Board (including independent members of the Board).

V. GENERAL

1. In discharging its duties under this mandate and charter, each member of the Board shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate and charter is intended, or may be construed, to impose on any member of the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.
2. The Board shall have full access to books, records, facilities, and personnel of the Corporation and shall have the authority to retain independent counsel and other advisors, as it deems necessary and at the expense of the corporation to carry out its duties.
3. From time to time, at least once annually, the Board shall review the description of the Board's mandate and charter and activities to be included in the Corporation's statement of corporate governance practices.