

REDZONE RESOURCES LTD.

BOARD MANDATE AND TERMS OF REFERENCE

The Board of Directors (the “Board”) of Redzone Resources Ltd. (“Redzone” or the “Company”) is responsible for the management of the business of the Company consistent with the powers and obligations under the Business Corporations Act (Ontario) (the “Act”) and other statutory and legal requirements generally applicable to directors of a business corporation that is a reporting issuer for securities purposes in Canada and is listed on the Toronto Stock Exchange.

Under the Act, the directors of the Company (the “Directors”) are required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board believes that it has the primary responsibility of maximizing shareholder value and to oversee the management of the Company which is conducted under the supervision of the Chief Executive Officer (“CEO”) of the Company.

The Board carries out its responsibilities directly, and through its committees.

The Board has the following stewardship responsibilities:

1. Governance

The Board, either directly or through its committees, establishes and oversees all corporate governance policies, and reviews and monitors the corporate governance practices and disclosure policies for the Company.

In furtherance of its mandate, the Board has approved a Disclosure and Trading Policy and a Code of Business Conduct and Ethics to which all Directors, officers and employees of the Company are bound.

As delineated in the Disclosure and Trading Policy, the Board believes that it is the function of executive management, led by the CEO, to speak for the Company in its communications with shareholders, the investment community, regulatory authorities, the media and any other interested parties. It is understood that other individual Directors may, from time to time, be requested by management to assist with such communications.

The Board has reserved the right to approve the content of the Company’s major communications to shareholders and the public.

2. Strategic Planning and Development

The Board approves and monitors the implementation of the Company’s strategic plans and long term goals and objectives, as prepared and presented by the CEO with support from executive management (see Schedule A, “Mandate for the Chief Executive Officer”). Such plans include the identification and assessment of risks, with provisions to manage and mitigate those risks, as well as strategies for each entity in which the Company has a significant ownership

interest. These plans should also include specific steps and performance indicators which enable the Board to evaluate progress on implementing such strategies.

The Board approves and monitors annual capital and operating plans and budgets to implement the Company's business strategies, together with key financial and other performance goals for the Company's activities, as prepared and presented by the CEO with support from executive management.

The Board regularly reviews corporate performance and progress towards these plans and performs an in-depth review of these strategic plans on at least an annual basis. Any material revisions to the plans are approved by the Board, usually following a recommendation from a committee thereof.

The Board expects executive management to keep the Board informed of all significant developments regarding these strategic plans in a timely and candid manner.

3. Financial Planning and Capital Structure Oversight

The Board advises management on financing strategies in accordance with the Company's strategic plan. The Board ensures that the Company's project financing and working capital requirements provide a capital structure which encompass an appropriate level of risk, while managing the cost of capital, in order to maximize shareholder value. The Board will consider both internal and external factors, including economic and market conditions, in carrying out its role. The Board will seek to monitor that these objectives are met by receiving a monthly status and progress report from the executive management team.

4. Monitoring and Internal Controls

The audit committee ensures that the financial performance of the Company is reported according to statutory and legal requirements and that financial results are reported fairly and in accordance with generally accepted accounting standards or such other accounting standards as may be applicable to the Company from time to time. The audit committee also reviews the financial performance and reporting of the Company and assesses the integrity of the Company's financial reporting, internal controls and management information systems.

The Board and the audit committee review and monitor the Company's financial risks and risk management policies, and the financial structure of the Company, the audit committee making recommendations to the Board as appropriate.

5. Executive Management Oversight and Succession Planning

The Board regularly considers the integrity, quality and continuity of management required to achieve the Company's goals. The Board has adopted a mandate for the CEO (see Schedule "A" which sets out the objectives for that position).

The Board, under the guidance of the compensation committee, approves the appointment, termination and remuneration of executive management and corporate officers, and is responsible for developing and maintaining an executive management succession plan,

including an emergency CEO succession plan. The CEO mandate will be reviewed by the compensation committee and, where appropriate, will make recommendations from time to time to be presented to the Board.

On an annual basis, the compensation committee (which may be a stand-alone committee or may be combined with one or more committees performing additional functions) measures executive management performance, development and total compensation against the objectives and standards previously established, and makes recommendations to the Board in that regard.

All Directors have open access to the Company's executive management.

BOARD PRACTICES AND TERMS OF REFERENCE

(a) Board Committees

The Board establishes and dissolves committees at its discretion in accordance with the ongoing needs of the Company. However, at all times there will be an audit committee and a compensation committee, as well as committee(s) specifically responsible for corporate governance and the nomination of Board members. Other than the audit committee, these may be stand alone committees or may be combined with one or more committees performing any combination of these functions.

Each of the audit committee and the governance, compensation and nominating committee, whether responsible solely for compensation oversight or combined with other responsibilities, must be comprised of three or more Directors, all being unrelated and independent as defined by applicable securities and stock exchange rules and, in particular, as defined by National Instrument 52-110 - Audit Committees.

Each committee operates under a written mandate, approved by the Board, which sets out its authority, composition, duties and responsibilities. The responsibilities of the Board may be delegated from time to time to committees of the Board on such terms as the Board may consider appropriate and subject to the provision of statutory and legal requirements.

(b) Board Composition and Effectiveness

A majority of Directors on the Board must be unrelated and independent as defined by applicable securities and stock exchange rules and, in particular as defined by National Instrument 52-110 - Audit Committees. The Board assesses the independence of each Director on an annual basis. Directors have an ongoing obligation to inform the governance committee of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

The Board has adopted a position description for a Lead Director, see Schedule "B", which sets out the duties and responsibilities for that position. This position description will be reviewed from time to time. The Lead Director shall be an unrelated, independent Director of the Company.

Under the guidance of the governance, compensation, and nominating committee, the Board establishes the competencies and skills the Board considers to be necessary for the Board as a whole, each existing Director, and new nominees to the Board. The Board considers the appropriate size of the Board, under the guidance of the governance, compensation and nominating committee, on an annual basis, with a view to facilitating effective decision making.

The Board is responsible for the establishment and oversight of the performance of its committees and the appointment of members to serve on such committees. The governance, compensation, and nominating committee(s), in conjunction with the Lead Director of the Board, will recommend Board members for appointment to the committees of the Board.

The Board reviews the effectiveness of the Board, its committees, and each Director's role on and contribution to the Board. The Board as a whole, as well as committees and individual Directors, are assessed by the Board on an annual basis, under the direction and guidance of the governance, compensation and nominating committee. The type of assessment to be conducted will be determined by the governance compensation and nominating committee, however, it will include the completion by each Director of a questionnaire and/or one-on-one sessions between each Director and the Lead Director. In order to ensure the Board is and remains effective, each Director will cooperate fully in such assessments.

(c) Director Orientation and Education

The governance, compensation, and nominating committee identifies candidates for Board membership, and makes recommendations to the Board for nomination as directors to the Board, based on their character, integrity, judgment, experience and record of achievement and any other qualifications which would add to the Board's decision making process and enhance the overall management of the Company's business.

The Board has an informal process for the orientation of new Board members regarding the role of the Board, its committees and Directors, and the nature of operation of the Company's operations. New Directors meet with executive management and incumbent Directors and are provided with written materials to aid in their familiarization with the Company.

Directors are made aware of their responsibility to keep themselves up to date with best director and corporate governance practices and are encouraged and funded to attend seminars that will increase their own and the Board's effectiveness.

(d) Conflict of Interest

A perceived conflict of interest may arise if a Director, or a member of his/her immediate family or household, has a material interest or relationship with a supplier or competitor of the Company, or if a Director engages in any business, personal or other activity, directly or indirectly, which may be construed as being in conflict with Company's

interests, or which may, or may appear to, compromise the Director's ability to act impartially on behalf of the Company.

In addition to adhering to the Company's Code of Business Conduct and Ethics, individual Directors must continually monitor their activities and interests; when an actual, potential, or potentially perceived conflict of interest arises, must immediately advise the Company's audit committee Chairperson, Chairperson of the Board, or the Board as a whole. The audit committee Chairperson, Chairperson of the Board, or the Board, as applicable, shall make a determination as to whether a conflict exists and what subsequent action, if any, is appropriate. The audit committee Chairperson or Chairperson of the Board shall immediately inform the Board of such determination and action. The Board shall retain the right to modify or reverse such determination and action.

Each Director shall ensure that all filed regulatory documents contain full disclosure regarding all his/her director and officer positions held and all other relevant information required by the applicable securities regulatory authorities.

(e) Meetings

The Board meets on at least a quarterly basis and holds additional meetings as required or appropriate to deal with ongoing corporate matters or long term strategic planning. Any Director may request that a meeting of the Board take place, such requests being made to the Lead Director. The Lead Director or two other independent Directors shall determine whether or not the requested meeting is to be held.

The Lead Director and CEO, in consultation, will set the agenda for each board meeting, with the assistance of or by delegation to the Corporate Secretary or other officer as required. Any Director may present a request to the Lead Director for additional items to be included on the agenda for a scheduled quarterly Board meeting.

The Board prefers that all Directors attend all scheduled quarterly meetings in person wherever feasible. If unable to attend in person, a Director may attend a meeting via telephone or other agreed electronic means. Attendance at meetings will be recorded in the minutes of the meetings.

The Board is to receive regular quarterly reports on the financial results and significant business activities of the Company, as well as appropriate documentation regarding matters for Board approval, in a timely manner in advance of Board meetings in order to ensure effectiveness of action at such meetings.

The Board may also take action from time to time by unanimous written consent resolutions.

The independent Directors hold meetings, without the presence of management and non-independent Directors, at least quarterly and more often as may be determined by the Lead Director and the governance, compensation and nominating committee. Any independent Director may request that a meeting of the independent Directors take place.



The Board, and its committees, to the extent permissible under each committee's written mandate, has the authority to retain legal, accounting and other consultants to advise it. The Board may request any officer or employee of the Company, or its outside counsel or auditors, to attend any meeting of the Board or to meet with any members of, or consultants to, the Board.

SCHEDULE A

MANDATE FOR THE CHIEF EXECUTIVE OFFICER (“CEO”)

The chief executive officer (“CEO”) of Redzone Resources Ltd. (“Redzone” or the “Company”) provides the leadership of the Company and, subject to approved policies and direction by the board of directors of the Company (the “Board”), manages the business and affairs of the Company. The CEO is accountable to the Board for the achievement of corporate objectives, within prevailing specified limitations and in accordance with Company and governance policies and procedures.

The CEO is responsible for:

- formulating the Company’s strategic plans and long term goals and objectives for the approval of the Board. Such plans should include strategies for each entity in which the Company has a significant ownership interest, and the identification and assessment of risks and provisions to manage and mitigate these risks. These plans should include specific steps and performance indicators which will enable the Board to evaluate progress on implementing such strategies;
- proposing to the Board for approval annual capital and operating plans and budgets to implement the Company’s business strategies, together with key financial and other performance goals for the Company’s activities. The CEO reports regularly to the Board on the progress against these goals and is governed by the **Investment Policy** as set out by the Board;
- keeping the Board fully informed of the Company’s progress towards the achievement of the Company’s goals and objectives, and of all material deviations from the goals or objectives, and policies established by the Board, in a timely and candid manner, including the preparation of a monthly status and progress report to the Board;
- managing the operations of the business in accordance with the strategic direction set by the Board and within operational policies as determined by the Board, in relation to the conduct of the business;
- ensuring that the Board is aware of relevant trends, anticipated media and analyst coverage, material external or internal changes, and any changes in the assumptions upon which any Board decision or approval has previously been made. The CEO must report to the Board, in a timely and candid manner, any actual or anticipated non-compliance with any Board approved policy or decision;
- providing the Board with information, both internal and external, that the Board may require in order to make fully informed decisions regarding the operation of the Company;

- making him/herself available to participate in Board Committee meetings and activities;
- executive leadership and overall day to day management of the Company. The CEO is responsible for the implementation of policies, directives and resolutions adopted by the Board and senior management from time to time;
- together with the Company's Chief Financial Officer, establishing and maintaining disclosure controls and procedures, and internal controls and procedures, for financial reporting appropriate to ensure the accuracy and integrity of the Company's financial reporting and public disclosures in accordance with all regulatory, statutory, and legal requirements;
- effectively articulating management's vision to the Board, as management's representative on the Board and, conversely, effectively articulating the Board's vision and decisions to management and employees;
- advising the Board if, in the CEO's opinion, the Board, or one of its directors, is not in compliance with its own policies, or legal and/or regulatory requirements;
- communicating effectively with managers and employees and promoting a sense of participation in, and commitment to, the organization. The CEO is expected to be accessible and collaborative;
- fostering, understanding, and reflecting the culture and goals of the Company;
- effectively and accurately representing the Company to its shareholders and stakeholders, including investment and financial communities, local community groups, governments, organizations, customers, suppliers, and the public; and
- providing a monthly summary report to the Board regarding operational activities, the Company's financial position, and any new prospects under considerations.

SCHEDULE B

MANDATE FOR THE LEAD DIRECTOR

GENERAL

This position description describes the appointment, role and responsibilities of the individual serving as the Lead Director of the board (the “Lead Director”) of Redzone Resources Ltd. (“Redzone”).

OFFICE OF THE LEAD DIRECTOR

The Lead Director shall be a director who is designated by the full board of directors of Redzone (the “Board”) to act as the leader of the Board. The Lead Director will be selected from amongst the directors of Redzone (the “Directors”) who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Lead Director will be selected annually at the first meeting of the Board following the annual general meeting of shareholders of Redzone.

RESPONSIBILITIES OF THE LEAD DIRECTOR

The following are the responsibilities of the Lead Director. The Lead Director may delegate or share, where appropriate, certain of these responsibilities with any committee of the Board established for such purposes from time to time:

- chairing all meetings of the Board in a manner that promotes meaningful discussion.
- 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 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 governance, compensation 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 governance, compensation and nominating committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board and Directors is assessed at least annually.
- managing the Board, including:
 - scheduling meetings of the Board;
 - coordinating with the Chairmen of the committees of the Board to schedule meetings of the committees;
 - reviewing items of importance for consideration by the Board;

- ensuring 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 manage or supervise the management of the business and affairs of Redzone;
- preparing the agenda of the Board meetings together with; and
- ensuring meeting material is distributed in a timely manner before each meeting 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;
- together with the governance, compensation and nominating committee, ensuring that a succession planning process is in place to appoint senior members of management when necessary;
- 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; and
- At the request of the Board, representing Redzone to external groups such as shareholders and other stakeholders, including community groups and governments.

Information Flow to the Board

The Lead Director, together with the Chief Executive Officer of Redzone (the “CEO”) and any applicable Board committee, will ensure the delivery of information to Directors on a timely basis to keep the Directors fully apprised of all matters which are material to Directors at all times. The Lead Director will work together with the CEO to ensure that information requested by any Director is provided and meets the needs of that Director.

Stewardship

The Lead Director will assist the Board in discharging its stewardship function, which includes:

- satisfying itself as to the integrity of the senior officers of Redzone and ensuring that such senior officers created a culture of integrity throughout the organization;
- strategic planning;
- identifying and managing risks;
- succession planning;
- internal control and management information systems; and
- together with the CEO, ensuring that the Board, committees of the Board, individual Directors and senior management of Redzone understand and discharge their duties and obligations under Redzone’s system of corporate governance.