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RTG Mining Inc.

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# Board charter

# Contents

<b>1</b>	<b>Role of the Board</b>	<b>3</b>
<b>2</b>	<b>Responsibilities of the Board</b>	<b>3</b>
<b>3</b>	<b>Structure of the Board</b>	<b>5</b>
<b>4</b>	<b>Delegations of responsibility</b>	<b>6</b>
4.1	Board committees	6
4.2	Specific duties of the Chair	6
4.3	Specific duties of the CEO	6
<b>5</b>	<b>Independence of directors</b>	<b>7</b>
5.1	Independence standard	7
5.2	Materiality	8
5.3	Disclosure of independence	9
5.4	Annual report disclosure	9
<b>6</b>	<b>Conflicts of interest</b>	<b>9</b>
<b>7</b>	<b>Meetings</b>	<b>9</b>
<b>8</b>	<b>Independent advice</b>	<b>10</b>
<b>9</b>	<b>Remuneration</b>	<b>10</b>
<b>10</b>	<b>Board performance</b>	<b>10</b>
10.1	Terms of appointment	10
10.2	Review of performance	10
<b>11</b>	<b>Review of Board charter</b>	<b>11</b>

This board charter (**Board Charter**) sets out the principles for the operation of the board of directors (**Board**) of RTG Mining Inc.(**RTG**) and to describe the functions of the Board and those functions delegated to management of RTG.

## 1 Role of the Board

The Board has primary responsibility to shareholders for the welfare of RTG by guiding and monitoring the business and affairs of RTG. RTG recognises the importance of the Board in providing a sound base for good corporate governance in the operations of RTG. The Board must at all times act honestly, fairly and diligently in all respects and in accordance with the laws applicable to RTG. Furthermore, the Board will at all times act in accordance with all relevant RTG charters, policies and codes of conduct.

Each of the directors, when representing RTG, must act in the best interests of shareholders of RTG and in the best interests of the company as a whole.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

## 2 Responsibilities of the Board

Consistent with its duties, the Board reserves certain functions (listed below) to itself and delegates other functions to the management of RTG.

The Board will ensure that management has in place appropriate processes for risk assessment, management and internal control and monitoring performance against agreed benchmarks. The Board will work with senior management as collaborators in advancing the interests of RTG.

The Board's responsibilities are:

### **Management of the affairs of RTG**

- Setting and monitoring financial strategic objectives.
- Evaluating, approving and monitoring the strategic and financial plans of RTG.
- Evaluating, approving and monitoring the annual budgets and business plans.
- Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities in RTG.
- Approving all financial reports and material external communications and reports by RTG in accordance with RTG's Continuous Disclosure Policy.

- Approving and monitoring the progress of major capital expenditure, capital management and capital raising initiatives, and acquisitions and divestments.
- Overseeing RTG's accounting and corporate reporting systems.
- Appointing, re-appointing and removing RTG's external auditors and approving the auditor's remuneration, upon recommendation from the Audit Committee.
- Ensuring that RTG's external auditors attend RTG's annual general meeting and are available to answer questions from shareholders relevant to the audit.

### **Senior management**

- Formulating, approving, overseeing and disclosing a process of senior management performance evaluation against appropriate measures.
- Appointing, monitoring, managing the performance of and where appropriate, managing succession planning for RTG's senior management (including the CEO, CFO and Company Secretary).
- Ratifying the terms of appointment of senior management, including in relation to the terms of equity remuneration.
- Overseeing interaction and communication between management and RTG's shareholders and the broader community.

### **Risk management**

- Monitoring RTG's performance in relation to ASX guidelines and National Instrument 58-101 – *Disclosure of Corporate Governance Policies* ("**NI 58-101**") and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**" and together with NI 58-101, the "**Canadian Corporate Governance Policies**"), and compliance with relevant regulatory requirements.
- Approving and monitoring RTG's risk management framework and compliance with RTG's charters, policies and codes of conduct.

### **Reporting**

- Ensuring the preparation of accurate financial reports and statements. Part of this process includes receiving a statement from the CEO and CFO assuring the Board that the financial statements comply with applicable accounting standards and provide a true and fair view of the financial position and performance of RTG and that opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Company will provide this disclosure in the form of Canadian national instrument 52-109 certification of disclosure in issuers' annual and interim filings.
- Supervising the Disclosure Committee's recommended disclosure in the annual report and publicly explaining any departures from the

ASX guidelines or Canadian disclosure requirements and any publicly available information about RTG's policies.

- Supervising that public disclosure of all matters required under Canadian securities laws or the Toronto Stock Exchange (the "TSX") or recommended under the ASX Corporate Governance Principles and Recommendations be publicly disclosed consistent with the Continuous Disclosure Policy and will provide a commentary of any Board decision not to make such disclosure or to clarify what disclosure has been made.

#### **Communication**

- Ensuring there is effective two way communication between investors and RTG. Part of this process includes RTG actively communicating with shareholders and where the shareholder is a nominee or custodian, then communicating with the beneficial owner of the securities. The other part of this process is ensuring any shareholder inquiry about a shareholding that is not resolved by the share registry is referred to the Company Secretary or their delegate, and any shareholder inquiry about corporate performance is to be referred to the CEO.
- Disclose policies and processes RTG has in place to facilitate and encourage participation at meetings of security holders.
- Further to the above, ensuring that communications between RTG and its shareholders can be received electronically.

### **3 Structure of the Board**

The Board is to comprise a majority of non-executive directors who are considered by the Board to be independent and, subject to the articles of association of RTG will be of such size and competence necessary to understand properly and deal with the current and emerging issues of the business of RTG. Pursuant to the TSX Company Manual, RTG must have at least two independent directors. Under the Canadian Corporate Governance Policies, the Chair of the Board should be independent; where this is not appropriate, an independent director should be appointed as "lead director".

The role of Chair and CEO should not be exercised by the same person.

Each director is bound by all RTG charters, policies and codes of conduct.

The Board and/or the committees have delegated responsibility for the operation and management of RTG's business to the CEO, and to appropriate members of the senior management group.

The Board will approve and monitor delegations of authority from the CEO to senior management.

## 4 Delegations of responsibility

### 4.1 Board committees

The Board may establish various committees, to assist the Board in the discharge of its responsibilities (either in whole, or in conjunction with the Board).

The Board has established the following three committees:

- Risk and Audit Committee;
- Disclosure Committee; and
- Remuneration and Nomination Committee.

The Board will consider and approve the charters of the various committees.

The Board will receive copies of committee papers/minutes/agendas in respect of each committee and all non-executive directors may attend meetings of committees of which they are not members.

### 4.2 Specific duties of the Chair

The Chair will:

- Chair board meetings;
- establish the agenda for board meetings, in consultation with the CEO and Company Secretary;
- Chair meetings of members, including the annual general meeting of RTG;
- be the primary spokesperson for RTG at the annual general meeting;
- in conjunction with the CEO, approve and/or delegate authority for the approval of all material ASX, TSX, and other investor and shareholder releases;
- be kept fully informed by the CEO of all material matters which may be relevant to directors, in their capacity as directors of RTG;
- in conjunction with the CEO and other appropriate members of senior management, review all matters material to the interests of RTG;
- provide guidance and mentoring to the CEO;
- ensure the annual process of Board evaluation is conducted.

### 4.3 Specific duties of the CEO

The CEO will:

- oversee the general management of the operations of RTG;
- develop with the Board, implement and monitor the strategic and financial plans for RTG;

- develop, implement and monitor the annual budgets and business plans;
- plan, implement and monitor all major capital expenditure, capital management and all major corporate transactions, including the issue of any securities in RTG;
- develop all financial reports, and all other material external communications and reports by RTG, including material announcements and disclosures, in accordance with RTG's Continuous Disclosure Policy;
- manage the appointment of RTG's senior management (which may include the CFO, the General Counsel and Company Secretary);
- develop, implement and monitor RTG's risk management framework;
- assist the Chair and the Company Secretary in relation to establishing the agenda for Board meetings;
- in conjunction with the Chair, approve and/or delegate authority for the approval of all material ASX and TSX releases, and other investor and shareholder releases;
- be the primary channel of communication and point of contact between the executive staff and the Board (and the directors);
- keep the Chair fully informed of all material matters which may be relevant to the Board, in their capacity as directors of RTG;
- in conjunction with the Chair and other appropriate members of senior management, review all matters material to the interests of RTG;
- ensure a safe workplace for all personnel;
- otherwise carry out the day-to-day management of RTG.

## 5 Independence of directors

### 5.1 Independence standard

At the time of a director's appointment the Board will consider independence and having regard to the ASX Corporate Governance Principles and Recommendations and the Canadian Corporate Governance Policies and the answers to the following questions, will resolve whether to consider the relevant director independent.

- Is the director a substantial shareholder of RTG or an officer of, or otherwise associated directly with, a substantial shareholder of RTG?
- Has the director, within the last three years been an employee or executive officer of RTG or another group member, or been a director after ceasing to hold any such employment?
- Within the last three years has the director been:

- a principal of a material professional adviser;
  - a material consultant to RTG or another group member; or
  - an employee materially associated with the service provided by such adviser or consultant to RTG?
- Is the director a material supplier or customer of RTG or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer?
  - Does the director have a material contractual relationship with RTG or another group member other than as a director of RTG?
  - Has the director served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of RTG?
  - Is the director free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of RTG?
  - Has the director's immediate family member been, within the last three years, an executive officer of RTG?
  - Is the director a partner or employee of RTG's internal or external auditor, or within the last three years, been a partner or employee who personally worked on the audit of RTG?
  - Has the director, or his/her immediate family member, within the last three years, been an executive officer of an entity where the current executive officers serve or has served, during that time, on that entity's compensation committee?
  - Has the director received, or his/her immediate family member employed as an executive officer received, more than \$75,000 in direct compensation from RTG during any 12 month period within the last three years?
  - Does the director have any other material relationship with RTG which could, in the view of the Board, be reasonably expected to interfere with the exercise of his/her independent judgement?

Where a director has an interest, position, association or relationship in question but the Board is of the opinion that it does not compromise the independence of the director, the board must give explanation of why it is of that opinion.

## **5.2 Materiality**

The Board will from time to time determine relevant materiality thresholds for the purposes of independence.

### **5.3 Disclosure of independence**

Each independent director of RTG must regularly provide the Board of RTG all information regarding his or her interests that is relevant to his or her independence having regard to the standard discussed in **section 5.1**. Where the independent status of a director is lost, this must be immediately disclosed to the market.

### **5.4 Annual report disclosure**

The names of directors who are considered by the Board to be independent and the Board's reasons for considering a director to be independent will be disclosed in the corporate governance section of RTG's annual report and the management information circular in connection with RTG's annual general meetings.

## **6 Conflicts of interest**

If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair.

If the Board determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of RTG or his or her duties to RTG, on the other hand, the Board will require that the director:

- fully and frankly informs the Board about the circumstances giving rise to the conflict; and
- abstains from voting on any motion relating to the matter and absenting himself or herself from all board deliberations relating to the matter including receipt of Board papers bearing on the matter.

The Company Secretary will maintain a register of all possible conflict of interest situations.

## **7 Meetings**

The Board will meet at least 3 times per year, and otherwise as often as the directors determine necessary to enable the Board to fulfil their duties and responsibilities to the Company.

An agenda, Board and Committee papers and related material will be prepared and circulated to Directors in advance each board and committee meeting to permit adequate preparation.

Minutes for each meeting should be recorded promptly after the close of the meeting.

## 8 Independent advice

A director of RTG is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at RTG's expense on any matter connected with the discharge of his or her responsibilities.

Directors who wish seek advice must obtain the prior consent of the Chair (acting reasonably) and will be entitled to reimbursement of reasonable costs of obtaining costs of such advice. In the case of the Chair, no consent is required.

All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to RTG and to the director in his or her personal capacity.

The Chairman may determine that any advice received by an individual director will be circulated to the remainder of the Board.

## 9 Remuneration

The level of non-executive director remuneration will be set by the Remuneration and Nomination Committee so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type.

In line with RTG's desire to maintain director independence, each director is permitted to deal in personal securities of RTG in accordance with RTG's Insider Trading Policy.

## 10 Board performance

### 10.1 Terms of appointment

Directors and senior executives are to be engaged by written agreement setting out the term of their appointment.

### 10.2 Review of performance

At least once in each financial year, there must be a performance evaluation:

- of the Board comparing the performance of the Board with respect to the requirements of this charter and current ASX guidelines;
- of individual directors' contribution to the Board;
- of the Board's committees; and
- establishing the goals and objectives of the Board for the upcoming year.

The Board will determine the manner and form of the performance evaluation.

## 11 Review of Board charter

The Board will, at least once in each financial year, review this charter, and the charter of each of the committees, and make any amendments it determines are necessary or desirable.