

**ZINCORE METALS INC.**  
**("the Company")**

**GUIDE TO CORPORATE GOVERNANCE OF THE BOARD OF DIRECTORS**

**GENERAL**

National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices (collectively, "the Instruments") became effective on June 30, 2005. These Instruments mandate corporate governance policies for reporting and provide the framework for disclosure of these policies to the public.

The Board considers good corporate governance to be essential to the fiduciary obligations of the directors to its shareholders and integral to the ongoing good management and development of the Company. The Board has developed the Guide to Corporate Governance which is set forth below.

**1. COMPOSITION OF THE BOARD**

The Board has determined the Company requires between 4 and 8 directors to effectively manage the Company's affairs. The directors are elected annually at the Company's annual general meeting of shareholders and must meet the requirements of the stock exchange on which the Company's shares are listed and the requirements of the applicable securities legislation and the Company's corporate legislation.

The Chair of the Board shall be an independent director, and ensure the Board can function independently of management and that the Board's agenda will enable it to successfully carry out its duties.

**2. MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors meets in person at least four times per year. The Board also holds additional unscheduled meetings from time to time as business needs require.

The independent directors of the Board meet, without members of management, at each regularly scheduled board meeting.

**3. MANDATE**

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with the British Columbia *Business Corporations Act*; the Company's Articles of Incorporation; the Company's Code of Business Conduct and Ethics; the Mandate of the Board and the charters of the Board's committees and other applicable laws and policies. The Board approves significant decisions that affect the Company before they are implemented. As a part of its overall responsibility for the stewardship of the Company, the Board assumes responsibility for the following:

- a. *Stewardship*

The Board sets and supervises standards of corporate governance that create a culture of integrity throughout the Company, and guides the operations of the Company and management in compliance with the Company's constating documents and British Columbia corporate law, securities legislation in each jurisdiction in which the Company is a reporting issuer, and other applicable laws.

*b. Strategic Planning*

The Board is actively involved in the Company's strategic planning process. Management discusses and reviews materials relating to the strategic plan with the Board. The Board is responsible for reviewing and approving the strategic plan, which takes into account the opportunities and risks of the business. Following the completion of each year, the Board undertakes a review of the strategic plan to assess the strengths, weaknesses and overall results of the plan. The Board also receives reports from management throughout the year on the current and proposed operations of the Company and reviews opportunities and assesses risks so the plan can be adjusted.

*c. Dealing with Risks*

The Board, in its annual assessment of the strategic plan, reviews principal risks and considers management's plans to monitor and manage risk. The principal risks to the Company have been identified as risks relating to the environment, safety, securities markets, commodity prices, currency fluctuations, legislative and title issues arising from operations in foreign jurisdictions and the fact that mineral exploration and development activities are inherently risky. The Board has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized or materially changed. The Board may from time to time appoint management, board members or advisors to assist in assessing different risks.

*d. Succession Planning*

The Board, through the Compensation Committee, annually identifies key individuals of the Company and, in consultation with management, determines how to replace such individuals should the need arise. Management is assigned the responsibility of training and advising new persons of the Company's policies and practices. The CEO has primary responsibility for supervising and reviewing the performance of senior management.

*e. Disclosure Policy*

The Corporate Disclosure and Stock Trading Policy governs communication with shareholders and others and reflects the Company's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to enhancing the Company's relationship with its shareholders.

f. *Internal Control and Management Information Systems*

The effectiveness and integrity of the Company's internal control and management information systems contribute to the effectiveness of the Board and the Company. To maintain the effectiveness and integrity of the Company's financial controls, the Board, through the audit committee which consists solely of independent directors, provides oversight and monitors internal control and management information systems.

g. *Approach to Corporate Governance*

The Board has appointed a Corporate Governance and Nominating Committee composed entirely of independent directors, and which has overall responsibility for developing the Company's approach to corporate governance including keeping informed of legal requirements and trends regarding corporate governance, monitoring and assessing the functioning of the Board and committees of the Board, and for developing, implementing and monitoring good corporate governance practices in the form of the Company's Guide to Corporate Governance. The Corporate Governance and Nominating Committee is also responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.

Individual directors may engage an outside adviser at the expense of the Company in appropriate circumstances, subject to the approval of the Chair of the Corporate Governance and Nominating Committee.

h. *Feedback*

The Company's website facilitates feedback from shareholders by permitting requests for information and sending messages directly to the Company.

i. *Expectations and Responsibilities of Directors*

The Board is responsible for determining the committees of the Board that are required to effectively manage certain aspects of the Board's duties, and for ensuring the committees have the requisite independence, competency and skill. The Board approves and annually reviews the charters of the committees, and conducts, with the assistance of the Corporate Governance and Nominating Committee, annual reviews of the performance of the committees.

Directors are responsible for attending Board meetings as well as meetings of committees of which the director is a member. Directors are responsible for reviewing meeting materials in advance of the meeting.

Directors are responsible for fulfilling the Board's expectations of Directors, as set out in the Position Description - Directors, in respect of: Board Activity; Preparation and Attendance; Communication; Committee Work; and Business, Community and Industry Knowledge.

#### **4. SHARE OWNERSHIP GUIDELINES**

To align that director's compensation with shareholder's interest, directors are expected to own shares in the Company equivalent to at least three times the annual director retainer fee within three years of election as director.

In addition, the CEO is also required to own shares in the Company.

#### **5. POSITION DESCRIPTIONS**

The Board has developed position descriptions for the: Chair of the Board, Directors, and the Chair of each Board Committee.

The Board, together with the CEO, has developed a position description for the CEO, which includes a delineation of management's responsibilities, as well as the corporate objectives the CEO is responsible for meeting. The Compensation Committee, however, is responsible for reviewing and approving those specific goals and objectives relevant to CEO compensation.

#### **6. ORIENTATION AND CONTINUING EDUCATION**

The Board takes the following measures to ensure all new directors receive a comprehensive orientation regarding (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the Company's business:

- i. Each new director is provided with a copy of the Board Manual, which contains the Company's policies and provides a comprehensive introduction to the Board, its committees and its directors; and
- ii. Each new director brings a different skill set and professional background, and with this information, the Chair is able to determine what orientation to the nature and operation of the Company's business will be necessary and relevant to each new director.

The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors:

- i. The Board Manual is updated annually and revised materials are given to each director.
- ii. The Board may request from management technical or other presentations focusing on a particular property or issue. The Q&A portions of these presentations are a valuable learning resource for the non-technical directors.
- iii. As required, site visits to the Company's properties.

The Board ensures proposed directors are able to devote sufficient time and energy to being a director. The Board provides continuing education opportunities for all the directors so directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.

#### **7. CODE OF BUSINESS CONDUCT AND ETHICS**

The Board has adopted a written code of business conduct and ethics (the “Code”) applicable to directors, officer, employees and consultants of the Company. The Code sets standards designed to promote integrity and deter wrongdoing. The Code is required to be filed on SEDAR.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the Company’s directors or executive officers will be granted by the Board only.

Directors and officers are instructed to report instances of non-compliance with the Code to the Chair of the Board.

## **8. NOMINATION OF DIRECTORS**

The Board has appointed a corporate governance and nominating committee composed entirely of independent directors. The corporate governance and nominating committee is responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the company, the ability to devote the time required and a willingness to serve.

The Board adheres to the following process, with the input and advice of the Corporate Governance and Nominating Committee, prior to nominating or appointing individuals as directors:

- a. The Board determines the appropriate size of the Board, with a view to facilitating effective decision-making. At the present time, the appropriate size is considered to be between four and eight members.
- b. The Board considers what competencies and skills the Board as a whole should possess. In doing so, the Board also considers the needs of each committee.
- c. The Board assesses what competencies and skills each existing director possesses.

## **9. COMPENSATION**

The Board has appointed a Compensation Committee composed entirely of independent directors.

The Compensation Committee is responsible for reviewing and recommending the CEO’s compensation; evaluating the CEO’s performance, making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation disclosure in advance of the disclosure becoming public.

The Board has the responsibility for determining the vesting period applicable to stock options.

Among other items relating to CEO, director and officer compensation, the Compensation Committee reviews the compensation for directors and officers of other companies it determines to be comparable to the Company in respect of size of market capitalization, stage of

development, number and stage of exploration properties, and any other factors the committee deems relevant.

## **10. REGULAR BOARD ASSESSMENTS**

The Board assesses, on an annual basis and in consultation with the Corporate Governance and Nominating Committee, the required competency and skill required by the board and its committees.

The Board, its committees and each individual director will be assessed on an annual basis regarding his, her or its effectiveness and contribution. Such assessment should consider:

- a. In the case of the board or a committee, its mandate or charter, and
- b. In the case of an individual director, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the board.

The Board conducts an annual Board Performance Evaluation.

Each Committee conducts an annual evaluation of its effectiveness and contribution, in the form of a Committee Annual Assessment Report, and submits such report to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee reports to the Board, making recommendations, if any, regarding the performance of the committees.

The Corporate Governance and Nominating Committee conducts an annual Director Performance Evaluation of each individual director, and reports to the Board.

## **EFFECTIVE DATE**

This Mandate was implemented by the Board in May 2007.