

PanTerra Gold Limited Statement on Board and Management Functions

1. Responsibility of the Board

- 1.1 The Board is collectively responsible for promoting the success of the Company by:
- (a) determining the strategic direction of the Company;
 - (b) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed, which includes but is not limited to (c) to (k);
 - (c) ensuring the Company is properly managed, for example by:
 - (1) appointing and removing the Managing Director of the Company;
 - (2) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer or the Company Secretary;
 - (3) having an input into the final approval of management's development of corporate strategy and performance objectives;
 - (4) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
 - (5) establishing goals for management and monitoring the achievement of these goals and implementation of strategy, and ensuring appropriate resources are available;
 - (d) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestments;
 - (e) approval of the annual budget;
 - (f) monitoring the financial performance of the Company;
 - (g) approving and monitoring financial and other reporting;
 - (h) overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
 - (i) ensuring Board membership is suited to company requirements;
 - (j) liaising with the Company's external auditors and Audit & Risk Committee (when established); and
 - (k) reporting to Shareholders.
- 1.2 The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.
- 1.3 The Board may from time to time delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (c(3)), (c(4)) and (f) and where any matter exceeds the Materiality Threshold as defined below).

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2. The Chairman

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all Directors in relation to issues arising at Board meetings. The Chairman is also responsible for Shareholder communication and arranging Board performance evaluation.

3. Independent Directors

The Independent Directors, in common with all other Directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

4. The Managing Director

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and for implementing the policies and strategy set by the Board. In carrying out his or her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

5. Role and Responsibilities of Management

5.1 The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

5.2 Management is responsible for reporting all matters which are material at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chairman or the lead independent Director, as appropriate.