

**STATEMENT OF GOVERNANCE POLICIES  
OF THE BOARD OF DIRECTORS  
OF MINCO GOLD CORPORATION**

**FOREWORD**

This document sets forth the mandates and principles adopted by the Board of Directors of MINCO GOLD CORPORATION (the “Company”) for the good stewardship of the Company. It is intended as guidance for the Board, for each director, and for the Committees of the Board in the exercise of their respective responsibilities in the governance of the Company. The policies enunciated in this statement address the corporate governance disclosure guidelines applicable to issuers listed on the Toronto Stock Exchange (the “Exchange”) and National Instrument 58-101 “Disclosure of Corporate Governance Practices” (collectively, the “Guidelines”), and developing best practices in the field of corporate governance.

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## **MANDATE OF THE BOARD OF DIRECTORS**

The following is the mandate of the Board of Directors of the Company (the “Board”):

- Advocate and support the best interests of the Company;
- Review and approve strategic, business and capital plans for the Company;
- Ensure that specific and relevant corporate measurements are developed and adequate controls and information systems are in place with regard to business performance;
- Review the principal risks of the Company’s business and pursue the implementation of appropriate systems to manage such risks;
- Monitor progress and efficiency of strategic, business, and capital plans and require appropriate action to be taken when performance falls short of goals;
- Establish and monitor a Code of Ethics for directors, senior officers, and employees to address, among other matters, conflicts of interest, protection and proper use of corporate assets and opportunities, fair dealing with third parties, compliance with laws, rules and regulations, and reporting of any illegal or unethical behaviour;
- Review measures implemented and maintained by the Company to ensure compliance with statutory and regulatory requirements;
- Review and monitor the effectiveness of the Audit Committee, and the Audit Committee Charter, on at least an annual basis;
- Select, evaluate, and compensate the senior management;
- Grant share options or share appreciation rights, or both, and monitor the evaluation and compensation of senior management;
- Monitor the practices of management to ensure appropriate and timely communication of material information concerning the Company to its shareholders; in addition, assume responsibility for the Communication Policy of the Company to ensure that it addresses how the Company interacts with analysts and the public and that it contains measures for the Company to avoid selective disclosure and ensures that insiders understand their obligations with respect to trading in securities of the Company;
- Monitor compliance with the Communication Policy and be responsible for the granting of any waivers therefrom;
- Monitor overall safety and environmental policies and programs;
- Monitor the development and implementation of programs for management succession and development; and
- Discharge such other duties as may be required for the good stewardship of the Company.

In addressing its mandate above, the Board of Directors assumes responsibility for the following approvals:

***Financial Approvals:***

- Strategic plan;
- Annual business and capital plans and budget;
- Annual financial statements, Management Discussion & Analyses (“MD&A”) and press releases;
- Quarterly financial statements and press releases;
- Capital expenditures in excess of \$100,000 for any single capital expenditure;
- Acquisitions and divestitures;
- Financings;
- Dividend policy; and
- Share re-purchase programs.

***Human Resources Approvals:***

- Appointment, succession, or dismissal of the senior management;
- Employment / termination agreements for key senior officers;
- Incentive Plans for directors, employees, consultants and others;
- Compensation for the senior management;
- Executive compensation arrangements and incentive plans; and
- Directors’ and officers’ liability insurance (if any).

***Administration and Compliance Approvals:***

- Appointment of Chair;
- Appointment of Board Committees and their Chairs;
- Nomination of Directors;
- Recommendation of Auditors to the Shareholders;
- Audit Committee Charter;
- Management Proxy Information Circular and Notice of Meeting;
- Annual Information Form;
- Communication Policy; and
- Other major compliance policies.

In carrying out its mandate in connection with the good corporate governance (and until such duties are assumed by a Committee of the Board), the Chair of the Board will:

- (a) monitor the orientation and training of new Directors;
- (b) facilitate the evaluation of the performance of the Board, its Committees and of individual Directors through the administration of a periodic evaluation exercise, and present the results to the Board;
- (c) periodically review (at least on an annual basis) the Company's governance policies and practices against developments and changes in generally accepted best practices; and
- (d) periodically assess (at least on an annual basis) the Company's compliance with the governance guidelines of the Exchange.

### **COMPOSITION OF THE BOARD**

The Board recognizes that the appropriate mix of skills, experience, age, and gender will help to enhance its performance. The composition of the Board should reflect business experience compatible with the Company's strategic and business objectives with consideration to the geographic regions in which it operates.

The following summarizes guidelines for future composition:

- The Board should not have less than three (3) members at any time, the majority of which should be "independent", as that term is defined under National Instrument 58-101 ("NI 58-101"). The Board will determine annually, based on all relevant facts and circumstances, whether each director satisfies the criteria for independence. The Company will disclose these determinations for each member of the Board and all Committees of the Board in the Company's annual management proxy information circulars or MD&A filings, as the case may be. Based on the principles stated in this Policy, the Board may adopt and disclose categorical standards to assist it in making such determinations;
- The size of the Board may be increased or decreased as permitted by law and the Articles of the Company, as determined to be appropriate by the Board;
- Vacancies created by the resignation or removal of a director or the addition of a director's position may be filled by the directors then in office, and such appointee shall serve in that capacity until the next annual meeting of the shareholders;
- The Board will seek members from diverse professional and business backgrounds, who combine a broad spectrum of experience and expertise with a reputation for integrity.

### ***Independence of Directors***

Under NI 58-101, “*in British Columbia a director is independent: (a) unless a reasonable person with knowledge of all relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder; or (b) if the Company is a reporting issuer in any other jurisdiction, the director is independent within the meaning of section 1.4 of NI 52-110, “Audit Committees”.*”

The Board interprets these Guidelines as meaning that an independent director is in essence a director who is not a member of the senior management of the Company, and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from a director’s direct or indirect shareholdings, provided the director is not directly or indirectly a “control person” as such term is defined under applicable securities legislation.

The Guidelines require that as part of its annual public disclosure of its governance policies, the Board must determine and disclose the number of independent directors on the Board and on each Committee of the Board. This determination may be made and formalized in the context of approval of the annual management proxy information circular or MD&A, as the case may be, and the governance practices disclosure contained in it.

### ***The Role of the Chair***

The Chair of the Board of Directors is elected by the Directors annually following the annual general meeting of shareholders of the Company. Specific duties of the Chair include:

- Establish the agendas for, schedule, and chair meetings of the Board and of the shareholders of the company.
- Manage the affairs of the Board.
- Monitor the Committees of the Board to ensure that they are working effectively.
- Act as an advisor and sounding board to the President & CEO.
- Provide a link between management and the Board and between the Board and the shareholders.
- Monitor whether the Board is receiving timely information of appropriate quality, before, during and after Board meetings.

## **THE ROLE OF DIRECTOR**

Directors are elected by and accountable to the shareholders of the Company. Although Directors may be elected by the shareholders to bring their practical experience, special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency exclusively.

Pursuant to Canadian law, Directors have statutory and fiduciary obligations to “act honestly and in good faith with a view to the best interests of the corporation.” The effect of this is that Directors owe the duties of a fiduciary to the Company. This duty is not owed to shareholders, even to a majority shareholder. The duties owed by Directors to shareholders (which are not deemed to be fiduciary in nature), include acting fairly and honestly in the deliberations of the Board. Canadian Courts have held that while it is proper for the Directors to have regard to the interests of the shareholders as well as the corporation, the best way to deal with any competing interests is to “act in the best interests of the corporation and have the shareholders derive their benefit from a better corporation.”

When a Director makes a material change in his principal occupation, the Board will take his or her new circumstances into account to determine whether the Director should be re-nominated.

## **NEW DIRECTORS**

### ***Criteria for selection of New Directors***

There are personal qualities sought and a time commitment expected when choosing new Directors. Directors should be loyal to the Company and exercise care, diligence and skill in their dealings on behalf of the Company. They must have adequate time available to serve on the Board and should be willing to commit to an active term of 3 years, although there is no specific time frame designated for Board membership. Full Board attendance is critical to the ongoing performance of the Board. It is therefore expected that Directors will make every effort to attend all Board meetings.

Qualities generally sought in Board members include integrity, track record of business success, leadership, fairness, decisiveness, and to have an active and committed interest in the work of a Director. Each Director should provide “a window to the world” for the Company and participate in positive networking so as to open doors for new opportunities for the Company.

### ***Orientation and Training for New Directors***

Orientation and training is monitored directly by the Board. When a Director is elected to the Board, he will be given an orientation package, including material that will assist him in becoming familiarized with the Company.

The orientation for a new director will include:

- Visits to the Company's facilities;
- Meetings with operating management;
- Familiarization with the Company's properties, partners and potential;
- An outline of the Company's history and other relevant data;
- Recent analysts' reports, if any;
- Copy of the Articles of the Company;
- A copy of this Statement of Governance Policies;
- Information on director and officer liability insurance coverage, if any;
- Guidance concerning trading in the Company's securities; and
- Information pertaining to remuneration.

## **COMMITTEES OF THE BOARD**

### ***The Composition of Committees***

The standing Committees of the Board will be established as the Board sees fit, following each annual general meeting of shareholders. Recognizing qualifications and availability, each independent Director should be appointed to at least one Committee during his or her term. Committee appointments are not made on a permanent basis, and will be reviewed annually. The Board shall appoint a Chair for each Committee, and the person so appointed will call meetings, establish agendas and preside over the proceedings of the Committee. The Chair of each Committee should be an independent Director. Except as may otherwise be required pursuant to its Charter, each Committee shall be composed of at least a majority of independent Directors, and no material business shall be transacted at any meeting at which the majority of those Directors present are not independent Directors.

In order to more efficiently discharge its responsibilities, the Board has established an Audit Committee, a Compensation Committee and a Nominating Committee. Other Committees will be established from time to time to assist the Board as the Board sees fit, depending on the stage of development of the Company. The Board may, from time to time, also establish *ad hoc* committees, such as an Executive Committee, to address specific issues on a project basis. Each Committee shall have its own mandate.

## **PROCEEDINGS AND MEETINGS**



The Board is committed to effective and time efficient meetings. The following guidelines have been developed to assist in increasing the effectiveness of meetings:

### ***Meetings***

Meetings of the Board will be held on written notice in accordance with the Articles of the Company. In the event that circumstances require an emergency meeting without formal notice, such meeting will not be considered effective unless and until written waivers of notice have been received by the Secretary from those Directors not in attendance at the meeting.

- There will be a minimum of four (4) Board meetings per year, one of which is to be devoted to strategy and budget;
- An *in camera* session will be available for all independent Directors at every Board meeting, if requested;
- Committees will meet on an as-needed basis with the exception of the Audit Committee, which will meet a minimum of once per fiscal quarter; and
- Non-directors will, by invitation, attend portions of the Board meetings if necessary.

Telephone conference meetings shall be considered valid if all Directors in attendance are able to hear each other and participate in the meeting.

### ***Information***

Agenda and briefing material will be delivered to Directors as far in advance of the Board meeting as is practicable.

Advance briefing material will include all relevant business information that provides a meaningful perspective on the matters to be considered by the Board.

- Minutes of the Board and minutes of Committee meetings will be deposited with the Secretary for filing with the Company's corporate records and minutes or reports of such meetings will be distributed to all Directors;
- Information such as financial summaries, capital requests, etc. will be standardized for ease of review;
- Board presentations will be standardized as much as possible, be concise, and only provide highlights of advance briefing material;
- Although Directors have access to any employee, it is expected that requests for specific information will be channeled through the CEO; and

- A business profile or summary of each material project will be provided annually in conjunction with the presentation of the Company's strategic plan.