



## **BOARD DIVERSITY AND TERM LIMIT POLICY**

(as of April 26, 2016)

### **1 Purpose**

- 1.1 This Policy is intended to set out a framework to promote diversity on the Board of Directors (the **Board**) of St. Augustine Gold & Copper, Ltd. (the **Company**).

### **2 Policy Statement**

- 2.1 The Company has a diverse client base and draws on employees possessing expertise from a variety of disciplines. The Board recognizes that diversity among its directors will enhance decision making by the Board by utilizing the difference in perspective of the members of the Board.
- 2.2 The Nominating & Corporate Governance Committee (the Nominating Committee) mandate includes identifying individuals qualified to become Board and Board committee members and recommending that the Board select director nominees for appointment or election of the Board. The selection of candidates for appointment to the Board will be based on merit. Within that overriding emphasis on merit, the Nominating Committee shall seek to fill Board vacancies by considering candidates that bring a diversity of background and industry or related expertise and experience to the Board. The Nominating Committee's considerations shall include achieving an appropriate level of diversity having regard to factors such as skills, experience, education, gender, age, ethnicity and geographic location.

### **3 Measurable Objectives**

- 3.1 In reviewing the composition of the Board, the Nominating Committee will consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board. The Nominating Committee will annually discuss and agree on the relevant measurable objectives for promoting diversity on the Board in light of the skills required on the Board at that time and make recommendations for consideration and approval by the Board. In identifying candidates for appointment as directors the Board will consider candidates on merit with regard to the benefits of diversity on the Board.

### **4 Skills Matrix**

- 4.1 The Nominating Committee has established a "skills matrix" outlining the skills and experience which they believe are required by the members of the Board. This skills matrix is reviewed annually by the Committee and updated as necessary. The Nominating Committee also annually reviews the skills and experience of the current directors of the Company. The Nominating Committee also assesses the knowledge and character of all nominees to the Board to ensure general compliance with the skills matrix.

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| <b>Executive Leadership</b>               | Experience as a senior executive.  |
| <b>Enterprise Risk Assessment</b>         | Board or executive experience in evaluating and managing risks in the mining industry.   |
| <b>Value Creation</b>                     | Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestiture, mergers or developmental opportunities.   |
| <b>Health, Safety and Environment</b>     | Board or management experience with environmental compliance and workplace health and safety in the mining industry.   |
| <b>Operations</b>                         | Management experience with mining operations.  |
| <b>Compensation and Human Resources</b>   | Management experience in human resources and executive compensation.   |
| <b>Accounting and Finance</b>             | Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience. |
| <b>Legal, Regulatory and Governmental</b> | Broad understanding of corporate, securities, regulatory regimes in Canada and taxation policies usually through management experience or a legal background.  |
| <b>Corporate Governance</b>               | Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.  |

## **5 Term Limits**

- 5.1 The Board does not believe that fixed term limits are in the best interest of the Company. The Nominating Committee considers both the term of service of individual directors, the average term of the Board as a whole and turnover of directors over prior three years when proposing nominees. The Nominating Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.

## **6 Monitoring and Reporting**

- 6.1 The Nominating Committee will monitor the implementation of this Policy and report to the Board on the achievement of the measurable objectives for promoting diversity described herein. A summary of this Policy along with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives, will be included on an annual basis in the Company's management information circular.

## **7 Review of this Policy**

- 7.1 The Nominating Committee will review this Policy from time to time as necessary, and make recommendations on any required changes to the Board for consideration and approval.