

CHARTER OF THE BOARD OF DIRECTORS

I. PURPOSE

The board of directors (the “**Board of Directors**” or the “**Board**”) of Talon Metals Corp. (the “**Corporation**”) is responsible for the general supervision of the activities and management of the affairs of the Corporation and for acting in the best interests of the shareholders of the Corporation (the “**Shareholders**”). The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee and the Corporate Governance and Compensation Committee.

The Board of Directors will primarily fulfill their responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION

The Board of Directors shall consist of a minimum of three and a maximum of fifteen directors, a majority of whom shall be Independent Directors (as defined below) and a majority of whom shall be non-residents of Canada. Pursuant to *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time), a director is considered to be an “**Independent Director**” if he or she has no direct or indirect “material relationship” with the Corporation which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director’s independent judgment. Notwithstanding the foregoing, a director shall be considered to have a “material relationship” with the Corporation (and therefore shall be considered a “**Non-Independent Director**”) if he or she falls in one of the categories listed in Schedule “A” attached hereto.

III. MEETINGS

The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Corporation’s Memorandum and Articles of Association and applicable laws.

The agenda for each Board meeting shall be established by the Chief Executive Officer and the Board Chair, taking into account suggestions from other members of the Board. Meeting materials and information shall be distributed in advance of each meeting so as to provide adequate time for review. The Board has a policy of holding one meeting each year at one of the Corporation’s operating facilities. Site visits by the Board and meetings with senior management of the facility are incorporated into the itinerary.

Directors are expected to attend, in person or via tele- or video-conference, all meetings of the Board and the Committees upon which they serve, to come to such meetings fully prepared, and to remain in attendance for the duration of the meeting. Where a Director’s absence from a meeting is unavoidable, the Director should, as soon as practicable after the meeting, contact the Board Chair, the Chief Executive Officer, or the Corporate Secretary for a briefing on the substantive elements of the meeting.

Independent Directors shall meet without Non-Independent Directors and management participation, as appropriate.

The Board Chair shall have the duties and responsibilities set forth in “Roles and Responsibilities of the Chairperson of the Board”.

IV. RESPONSIBILITIES AND DUTIES

The mandate of the Board of Directors is the stewardship of the Corporation. To fulfill its responsibilities and duties, the Board of Directors shall:

- (1) Review, assess and update this Charter at least annually, as conditions dictate.
- (2) Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- (3) Review and re-assess the adequacy of the mandate of the committees of the Board annually.
- (4) Assign to the various committees of the Board of Directors the general responsibility for developing the Corporation's approach to: (i) the nomination of the directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the members of the Board of Directors; and (iv) matters relating to financial reporting and internal controls.
- (5) Satisfy themselves, to the extent feasible:
 - (a) as to the integrity of the officers of the Corporation and of the Chief Executive Officer of the Corporation; and
 - (b) that the officers of the Corporation and the Chief Executive Officer of the Corporation create a culture of integrity throughout the organization.
- (6) Approve a Code for Business Ethics for directors, officers and employees and monitor compliance with the practice and approve any waivers of the Code for Business Ethics for officers and directors.
- (7) With the assistance of the Corporate Governance and Compensation Committee:
 - (a) assess, at least annually, the effectiveness of the Board of Directors, the committees of the Board of Directors and the contribution of individual directors, including, consideration of the appropriate number of the directors;
 - (b) ensure that an appropriate review and selection process for new nominees as directors is in place;
 - (c) ensure that an appropriate orientation and education program for new directors is in place;
 - (d) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communications policies of the Corporation to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure and to facilitate feedback from stakeholders;
 - (e) approve the nomination of directors;
 - (f) establish an appropriate system of corporate governance including practices to ensure that Board of Directors functions independently of management;
 - (g) review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director; and

- (h) review the composition of the Board and engage in the process of determining Board of Directors member qualifications, including ensuring that a majority of directors qualify as Independent Directors and that the appropriate number of Independent Directors are on each committee of the Board of Directors as required under applicable securities rules and requirements.
- (8) Develop written position descriptions for the Chair of the Corporation and the Chair of each committee of the Board of Directors.
- (9) With the assistance of the Audit Committee:
 - (a) ensure the integrity of the Corporation's internal controls and management information systems;
 - (b) ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents; and
 - (c) identify the principal risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks.
- (10) Appoint the Chief Executive Officer and senior officers, approve their compensation, evaluate the Chief Executive Officer's performance against the goals and objectives developed and approved by the Board.
- (11) Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- (12) Establish limits of authority delegated to management.
- (13) Adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the business opportunities and business risks and monitor the performance of the Corporation against the strategic plan.
- (14) Approve the annual operating and capital budget, including a business plan, of the Corporation.
- (15) Review with the management of the Corporation, and approve, all material transactions and agreements to be entered into by the Corporation outside of the ordinary course of the business of the Corporation and all fundamental changes to the business of the Corporation.
- (16) Perform such other functions as prescribed by law or assigned to the Board of Directors in the Memorandum and Articles of Association of the Corporation.
- (17) Develop and approve the goals and objectives that the Chief Executive Officer is responsible for meeting.

The foregoing list is not exhaustive. The Board of Directors may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

To assist the Board of Directors in discharging its responsibilities, the Board of Directors may, in addition to the Corporation's external counsel, at the expense of the Corporation, retain one or more persons having special expertise.

The Board of Directors expects that, in discharging their responsibilities to the stakeholders, the external counsel shall be accountable to the Board of Directors. The external counsel shall report all material issues or potentially material issues to the Board of Directors.

In discharging its duties under this mandate and charter, each member of the Board of Directors shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate and charter is intended, or may be construed, to impose on any member of the Board of Directors a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board of Directors members are subject.

The Board of Directors shall have full access to books, records, facilities, and personnel of the Corporation and shall have the authority to retain independent counsel and other advisors, as it deems necessary and at the expense of the Corporation, to carry out its duties.