



## **BOARD OF DIRECTORS CHARTER**

### **AYA GOLD & SILVER INC. (the "Corporation")**

#### **1. PURPOSE**

The board of directors of the Corporation (the "**Board**") is responsible for the supervision of the management of the Corporation's business and affairs. Although management conducts day-to-day operations, the Board has a duty of stewardship and periodically assesses and monitors management's performance.

Although directors may be elected by the shareholders to bring a special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency. Directors' duties are towards the Corporation.

In carrying out its duties, the Board shall provide management with sound business guidance, calling upon the varied experiences and expertise of its members, each of which shall act honestly and in good faith with a view to the best interests of the Corporation while exercising the level of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors are expected to attend all Board meetings and review all meeting materials in advance. They are expected to take an active part in Board decisions.

From time to time, the Board may delegate certain tasks to its committees. However, such delegation does not relieve the Board of its overall responsibilities.

#### **2. COMPOSITION**

The Board of Directors shall be constituted at all times of a majority of individuals who shall be "independent directors" in accordance with the requirements set out in applicable securities laws and stock exchange rules.

#### **3. RESPONSIBILITIES**

Management is responsible for the day-to-day operations of the business and affairs of the Corporation. The Board relies on management to keep it apprised of all significant developments affecting the Corporation and its operations.

The Board will discharge its responsibilities directly and through its committees, currently consisting of an Audit Committee, a Corporate Governance, Nomination and Compensation Committee and a Safety, Health and Environment Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own charter.

The Board's responsibilities include, without limitation to its general charter:

**A. With respect to strategic planning**

- (1) Adopting a strategic planning process pursuant to which management develops and proposes, and the Board reviews and approves, significant corporate strategies and objectives, taking into account the opportunities and risks of the Corporation's business;
- (2) Approving and monitoring the implementation of the Corporation's annual business plan;
- (3) Reviewing and approving all major acquisitions, dispositions and investments and all significant financings and other significant matters outside the ordinary course of the Corporation's business; and
- (4) Reviewing management's implementation of appropriate community and environmental stewardship and health and safety management systems, taking into consideration, among other things, applicable laws, Corporation policies and accepted practices in the mining industry.

**B. With respect to human resources, performance assessment and succession planning**

- (1) Choosing the Chief Executive Officer (the "CEO") and approving the appointment of other senior management executives;
- (2) Adopting a succession planning process and participating in the selection, appointment, monitoring and evaluation of the CEO and other senior management executives;
- (3) Adopting a process for the evaluation and compensation of the CEO and other senior management executives;
- (4) Monitoring and assessing the performance of the CEO and of senior management executives and approving their compensation;
- (5) Approving the corporate objectives which form the basis for management's incentive compensation, and reviewing progress against those objectives;
- (6) Monitoring the size and composition of the Board and its committees based on competencies, skills and personal qualities sought in Board members; and
- (7) Approving the list of Board nominees for election by shareholders.

**C. With respect to financial matters and internal controls**

- (1) Overseeing the reliability and integrity of accounting principles and practices followed by management, the integrity of the Corporation's financial statements and other publicly reported financial information, and the disclosure principles and practices followed by management;
- (2) Overseeing compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;

- (3) Reviewing and monitoring the integrity of the Corporation's internal controls and information systems and adopting appropriate internal and external audit and control systems and procedures;
- (4) Overseeing the process under which any document required to be disclosed or filed by the Corporation with securities regulatory authorities is prepared and approving the Corporation's financial statements and related management discussion and analysis of operating results, annual information forms, management proxy circulars and prospectuses;
- (5) Provide oversight to the overall process relating to (a) the reporting on the quantity and quality of the Corporation's mineral reserves and resources; (b) the material exploration, operating, development and technical activities; (c) the process for identifying and managing technical and operating risks; and (d) the review of all material activities related to new projects, project development and the closures of mining or exploration sites;
- (6) Taking all reasonable measures to ensure that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities;
- (7) Approving the Corporation's annual budget;
- (8) Selecting, appointing, determining the independence and remuneration of the external auditor; and
- (9) Declaring a dividend, if any.

**D. With respect to corporate governance matters**

- (1) Appointing annually, amongst the directors, the Chair of the Board;
- (2) Taking all reasonable measures to satisfy itself as to the integrity of management and that management creates a culture of integrity throughout the Corporation consistent with the Corporation's Code of Business Conduct and Ethics (the "**Code of Conduct**");
- (3) Reviewing, on a regular basis, appropriate corporate governance structures and procedures, including the identification of decisions requiring approval of the Board and, where appropriate, measures for receiving stakeholder feedback;
- (4) Appointing annually, the members and chair of each committee of the Board;
- (5) Approving the Code of Conduct, any amendment thereto and monitoring compliance with the Code of Conduct and the resolution of complaints related to the Code of Conduct;
- (6) Approving the Corporation's major policies and practices relating to social and environmental responsibility and sustainability;
- (7) Establishing an annual performance assessment process for the Board and the Board committees;

- (8) Ensuring that the Board receives from management the information and input required to enable the Board to effectively perform its duties;
- (9) Adopting orientation and continuing education programs for directors;
- (10) Identifying the competencies and skills required by the Board as a whole; and
- (11) Determining whether or not individual directors meet the requirements for independence set out in applicable securities laws and stock exchange rules.

**E. With respect to communication and reporting**

- (1) Overseeing the Corporation's continuous disclosure program with a view to satisfying itself that material information is disseminated in a timely fashion and reviewing and approving any significant changes to the Corporation's disclosure policies; and
- (2) Adopting policies and measures to facilitate effective communications with shareholders, other stakeholders and the public.

**4. GENERAL PROVISIONS**

- (1) Meetings of the Board are held at least quarterly and as many additional times as the Board considers necessary to carry out its duties effectively. In addition, a special meeting of the Board is held at least annually to review the Corporation's strategic plan;
- (2) The Chair of the Board develops the agenda for each meeting of the Board in consultation with the CEO. The agenda and the appropriate material are provided to directors of the Corporation on a timely basis prior to any meeting of the Board;
- (3) At each Board meeting, independent directors shall meet without management and other non-independent directors present;
- (4) The Board shall annually review and assess the adequacy of its charter; and
- (5) The Board shall perform any other activities consistent with this charter, the Corporation's governing documents, applicable laws and stock exchange rules, and otherwise as the Board considers necessary or appropriate.