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CHARTER OF THE GOVERNANCE COMMITTEE OF THE DIRECTORS OF AMARILLO GOLD CORPORATION

Purpose and Objectives

With respect to the guidance provided in National Policy 58-201 *Corporate Governance Guidelines*), the Governance Committee of the Directors of Amarillo Gold Corporation (the Committee”) will:

- articulate, and from time to time revise as appropriate, the governance framework of Amarillo Gold Corporation (“Amarillo” or the “Corporation”);
- establish the terms of membership and the mandate of the Board of Directors of Amarillo (the “Board”);
- assess performance and compensation of the Board and officers.

Authority

The Committee shall have the authority to recommend to the Board all policies of the Board except the Audit Charter which shall be the responsibility of the Audit Committee.

The Governance Framework of Amarillo

The Board shall have 5 directors of which a majority of the directors are independent¹ directors. The Board shall function independently from management and have the capacity to objectively assess management and its performance.

There shall be 2 committees of the Board: the Governance Committee and the Audit Committee. Each Committee is to have a charter and each Committee is to be chaired by an independent director. There will be a Chair of the board. Board meetings will occur according to a schedule developed between the CEO and the Chair of the Board.

The Board is responsible for the stewardship of Amarillo. The CEO is responsible for leading the Company and for the formulation of goals, strategic plans and policies which are approved by the Board. The CEO speaks for the Company.

The Board’s responsibilities include but are not limited to:

- (a) the CEO and other executive officers create a culture of integrity throughout the organization and that Amarillo shall have and abide by a *Code of Conduct and Business Ethics*;
- (b) strategic planning and approving a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (c) identifying the principal business risks of Amarillo and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning including nomination, training and monitoring directors and officers;

¹ a director is independent if he or she would be independent for the purposes of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

(e) monitoring the *Public Communications & Disclosure Policy* with reference to the guidance set out in National Policy 51-201 *Disclosure Standards*;

(f) ensuring that in accordance with National Policy 52-110 "*Audit Committees*", the Audit Committee shall have an *Audit Committee Charter* and will review and oversee and report and recommend to the Board with respect to: (1) the financial reporting process; (2) the system of internal controls, management of the financial risks of the Corporation and compliance with legal, ethical and regulatory requirements; and (3) the audit process;

(g) regularly assessing the effectiveness and contribution of the board, its committees and each individual director including: (1) in the case of the board or a board committee, its mandate or charter, and (2) in the case of an individual director, the applicable position description, as well as the competencies and skills each individual director or officer is expected to bring to the board

(h) developing the approach to corporate governance, including developing the corporate governance frameworks

Code of Business Conduct & Ethics

Amarillo has adopted a *Code of Business Conduct and Ethics* (the "Code") which is applicable to directors, officers and employees of the issuer. The Code addresses: (1) conflicts of interest, (2) protection and proper use of corporate assets and opportunities; (3) confidentiality of corporate information; (4) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; (5) compliance with laws, rules and regulations; and (6) reporting of any illegal or unethical behavior.

The Audit Committee is responsible for monitoring and ensuring compliance² with the Code on behalf of the Board. Any waivers from the Code are to be granted by the Chair of the Audit Committee. Any changes of the Code are to be made by the Board.

Membership and Organization of the Committee

The Committee shall be comprised of at least three members all of whom are independent. The members of the Committee shall be elected by the Directors to serve one year terms and are permitted to serve an unlimited number of consecutive terms. The Chair shall be nominated by the Committee.

A quorum for any meeting of the Committee shall be a majority of the then members of the Committee. The secretary of the Committee shall be the secretary of the Corporation or a person designated by the Committee. Minutes shall be kept in respect of the proceedings of meetings of the Committee except for in camera sessions.

The Committee shall meet as considered appropriate or desirable by the Committee. The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate.

² Amarillo recognizes that Canadian securities regulatory authorities consider that conduct by a director or executive officer which constitutes a material departure from the code will likely constitute a "material change" within the meaning of National Instrument 51-102 *Continuous Disclosure Obligation*

Roles and Responsibilities

Due to the size of Amarillo and its Board, The Committee is, in general, responsible for those roles articulated in National Policy 58-201 for the Nominating Committee, the Governance Committee, and the Compensation Committee and shall undertake such corporate governance issues as may be necessary or desirable to contribute to the success of Amarillo.

Specifically the Committee shall:

- together with the CEO, develop a clear position description for the CEO, which includes delineating management's responsibilities and the terms of reference of the Board;
- develop or approve the corporate goals and objectives that the CEO is responsible for meeting;
- ensure that all new directors receive an appropriate orientation. New directors should understand the role of the board and its committees, as well as the contribution individual directors are expected to make;
- be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders. The Committee will consider the competencies and skills that the board considers to be necessary (1) for the board, as a whole, to possess; (2) each existing director to possess; and (3) each new nominee will bring to the boardroom;
- be responsible for: (1) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; (2) making recommendations to the board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and (3) reviewing compensation disclosure before the issuer publicly discloses this information;
- have the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its nomination or compensation duties.