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**Nautilus Minerals Inc (the "Company")  
Terms of Reference of the Governance, Nomination  
and Remuneration Committee (the "Committee")**

(approved at a meeting of the board of directors (the "Board") held on 6 December 2013)

**1. Mandate**

- 1.1. The primary function of the Governance, Nomination and Remuneration Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- (a) evaluating the effectiveness and performance of the board and its committees;
  - (b) ensuring the observation of good corporate governance practices;
  - (c) key compensation and human resources policies;
  - (d) executive management compensation, succession and development;
  - (e) evaluation of the effectiveness and performance of the Board and its Committees; and
  - (f) directors' compensation, succession and development.

**2. Membership**

- 2.1. The members of the Committee shall be appointed annually by the Board and shall consist of at least three members.
- 2.2. All of the members of the Committee shall be non-executive directors and shall be independent of the Company, based on the criteria set forth in National Instrument 52-110 of the Canadian Securities Administrators and other factors considered to be relevant provided that, whenever it is impossible or not reasonably practicable to have all members be non-executive directors and independent of the Company, at least a majority shall be shall be non-executive directors and independent of the Company.
- 2.3. The Board shall appoint the chairman of the Committee who shall be either the chairman of the Board or an independent non-executive director.
- 2.4. If the person chosen as chairman of the Committee is the chairman of the Board, then he/she should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship of the Board.
- 2.5. Committee members may serve on the committee for consecutive terms.

**3. Secretary**

- 3.1. The Company Secretary or his or her nominee shall act as the secretary of the Committee.

## 4. Meetings

- 4.1. **Frequency:** Meetings of the Committee shall be held at such times as the Chairman of the Committee shall require but a minimum of one meeting annually.
- 4.2. **Right to attend:** No one other than the chairman of the Committee and its members is entitled to be present at a meeting of the Committee but others (such as, for example, the Chief Executive Officer and external advisers) may attend for all or any part of the meeting at the invitation of the Committee.
- 4.3. **Notice:** Meetings of the Committee shall be called by the secretary at the request of the chairman of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person invited to attend no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
- 4.4. **Remote or in person:** The Committee may meet either in person, by teleconference, or by videoconference, as determined by the Chairman.
- 4.5. **Quorum:** The quorum necessary for the transaction of business of the Committee shall be two both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.6. **Chairman:** In the absence of the appointed chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 4.7. **Minutes:** The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. Minutes of Committee meetings shall be filed in the Company's minute book and distributed to members of the Board.

## 5. Annual General Meeting

- 5.1. The chairman of the Committee or his/her nominee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## 6. Duties

- 6.1. The Committee shall in relation to director assessment and corporate governance:

### ***Board and Committee Assessment***

- (a) on annual basis, review, discuss and assess the performance of the Board, including Board committees and individual directors. This should include an evaluation of the size, composition, practices, effectiveness and role of the Board and its committees with a view to facilitating effective decision making;

- (b) oversee the functioning of the Board, including the orientation and integration of new members of the Board;

***Governance Practices***

- (c) oversee the development, implementation, and enforcement of the Company's corporate governance guidelines, including as currently set forth in the Board Mandate, the Company's policies (as set forth in the Board Mandate) and these terms of reference;
- (d) periodically review the Company's corporate governance practices to ensure adherence as set forth by current rules and policies of applicable regulatory authorities;
- (e) periodically evaluate the effectiveness of these principles and their application and recommend any changes to the Board for its approval;
- (f) periodically evaluate the independence of directors, considering applicable laws, regulations (including National Instrument 52-110 of the Canadian Securities Administrators) and stock exchange rules;
- (g) make recommendations to the Board with respect to the independence of the directors, and specifically with respect to the creation of ad hoc committees of independent directors to consider and make recommendations to the Board with respect to any significant transaction that has been proposed or is to be considered by the Company.

***Continuing Education***

- (h) if deemed necessary or appropriate, institute, approve and monitor a training and development plan for the Board or individual directors.

6.2. The Committee shall in relation to nominations:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) evaluate the structure, size and composition (including the balance of skills, knowledge and experience) of the Board;
- (c) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (e) review annually the time required from a non-executive director;
- (f) before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;

- (g) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, and in doing so shall disclose to the board a candidate's other significant commitments before appointment;
- (h) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them and in terms of time commitment, committee service and involvement outside Board meetings; and
- (i) for the appointment of chairman of the Board, (as regards whom it is particularly important that he/she have enough time to devote to the job) prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises.

6.3. The Committee shall, in relation to nominations, also make recommendations to the Board concerning:

- (a) the appointment of any director to executive or other office;
- (b) the membership and chairmanship of the Audit Committee;
- (c) plans for succession for both executive and non-executive directors (and in particular for the key roles of chairman and chief executive officer) and to this end, in the course of its work, give full consideration to succession planning with regard to both Board and senior management appointments, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- (d) the re-appointment of any non-executive director at the conclusion of his or her specified term of office, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required and the time that may be made available in light of a director's other commitments;
- (e) any matters relating to the continuation in office as a director of any director at any time including the suspension or termination of service of an executive director as employee of the Company, subject to the provisions of law and their service contract; and
- (f) the statement required to be included in a separate section of the annual information circular of the Company (i) describing the activities of the Committee and (ii) describing the process used in relation to Board appointments, and providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or non-executive director.

6.4. The Committee shall, in relation to remuneration:

- (a) determine and agree with the Board the framework or broad policy for setting remuneration for the President, the Chief Executive Officer, the Chief Financial Officer, all executive directors and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors (including members of the Committee) shall be a matter for the chairman of the Board and the

executive members of the Board. No director or officer shall be involved in any decisions as to his/her own remuneration;

- (b) in determining policy on executive remuneration, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that levels of remuneration are sufficient to attract, retain and motivate members of the executive management of the Company of the quality required to run the Company successfully and that incentives are provided as appropriate to encourage enhanced performance and to reward, in a fair and responsible manner, their individual contributions to the success of the Company;
- (c) keep under review the appropriateness and relevance of the remuneration policy;
- (d) within the terms of the agreed policy, have delegated responsibility for setting the total individual remuneration package of all executive directors and the Chairman including, where appropriate, pension rights and any bonuses, incentive payments, stock options or other share awards;
- (e) recommend and monitor the level and structure of remuneration for senior management;
- (f) be aware of and oversee any major changes in employee benefit structures throughout the Company or group;
- (g) be responsible for obtaining reliable, up-to-date information about remuneration in other companies;
- (h) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (i) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- (j) review the design of all stock incentive plans for approval by the Board and shareholders. For any such plans, consider and make recommendations each year as to whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior management and the performance targets to be used; and
- (k) be responsible for oversight of the executive and director compensation sections of the Company's management information circular, including the Compensation Discussion and Analysis.

6.5. The Committee shall:

- (a) at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;

- (b) consider other matters as referred to the Committee by the Board;
- (c) undertake such other initiatives as are necessary or desirable to provide effective corporate governance for the Company; and
- (d) make available these terms of reference.

## **7. Authority**

- 7.1. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, as well as to require the attendance at any of its meetings of any director or member of management. All employees are expected to cooperate with requests made by the Committee.
- 7.2. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference which includes authorisation to employ the services of search consultants.