

# **Valterra Resource Corporation**

## **CORPORATE GOVERNANCE**

### **MANDATE OF THE BOARD OF DIRECTORS**

Approved by the Board of Directors effective November 16, 2006

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The Board of Directors of Valterra Resource Corporation (the “Company”) explicitly acknowledges responsibility for the stewardship of the Company, including responsibility for:

- (i) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer, (“CEO”) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (ii) succession planning, including appointing, training, monitoring and, if deemed necessary, firing the CEO;
- (iii) adoption of a strategic planning process and approving on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business;
- (iii) in cooperation with the senior management team, led by the CEO, identification of the principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage these risks;
- (iv) assisting the CEO in the appointment, training and monitoring of senior management of the Company;
- (v) adopting a communication policy for the Company;
- (vi) the integrity of the Company’s internal control and management information systems; and
- (vii) developing the Company’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.