

EURO SUN MINING INC.

CHARTER OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

1. PURPOSE

The Human Resources and Compensation Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Euro Sun Mining Inc. (the “**Company**”) with the primary function to assist the Board in fulfilling its oversight responsibilities by:

- (a) Reviewing, structuring and approving and then recommending to the Board salary, bonus, and/or other benefits, direct or indirect, and any change of control packages of the Chairman of the Board (if any), the President, the Chief Executive Officer and other members of the senior management team deemed appropriate by the Compensation Committee;
- (b) Recommending salary guidelines to the Board;
- (c) Reviewing and recommending to the Board appropriate compensation for the directors of the Company;
- (d) Administering (where applicable) the Company’s compensation plans, stock option plans, outside directors compensation plans, and such other compensation plans or structures as are adopted by the Company from time-to-time;
- (e) Researching and identifying trends in employment benefits;
- (f) Establishing and periodically reviewing the Company’s policies in the area of management benefits and perquisites.

2. COMPOSITION AND MEETINGS

2.1 The Committee shall be comprised at all times of three or more directors as determined by the Board, each of whom shall be independent directors in accordance with National Policy 58-201 – *Corporate Governance Guidelines*. A director is considered to be “independent” if he or she has no direct or indirect material relationship which could in the view of the Board reasonably interfere with the exercise of a director’s independent judgment. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*.

2.2 The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board, to serve until the next annual shareholders meeting or until their successors are duly elected and qualified. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board. Unless a Chairman

is elected by the Board, the members of the Committee may designate a Chairman by majority vote of the full membership of the Committee.

- 2.3 Each member will have, to the satisfaction of the Board, sufficient skills and/or experience which are relevant and will be of contribution to carrying out the mandate of the Committee.
- 2.4 The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, securities laws, the listing requirements of the Toronto Stock Exchange, the Canada Business Corporations Act and all applicable securities regulatory authorities, if any.
- 2.5 The Committee shall meet at least once annually or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Committee may (i) retain the services of independent counsel and/or outside compensation specialists to the extent required; and (ii) set and pay the compensation for any advisors employed by the Committee.
- 2.6 A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- 2.7 Meetings of the Committee shall be held from time to time as the Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.
- 2.8 If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- 2.9 Any member of the Committee may participate in a meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- 2.10 The Committee will record minutes of its meetings and, through its Chairman, report periodically to the Board.
- 2.11 The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
- 2.12 Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

3. RESPONSIBILITIES AND DUTIES

Responsibilities, duties and powers of the Committee include:

- (a) From time to time as deemed appropriate by the Committee, reviewing and revising this Charter as necessary with the approval of the Board.
- (b) Providing annual reports to the Board on compensation matters.
- (c) Annually reviewing and making recommendations to the Board taking into account the recommendation of members of senior management with respect to the Company's overall compensation and benefits philosophies and programs for employees, including base salaries, bonus and any incentive plans, deferred compensation and retirement plans and share purchase or issuance plans including stock options. As part of its review process, the Committee will review peer group and other industry compensation data reported through surveys and other sources.
- (d) Annually reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other members of the senior management team and, evaluating their performance in light of those corporate goals and objectives. Based on such evaluation, annually reviewing and making recommendations to the Board with respect to compensation and benefit programs for the Chief Executive Officer and doing the same for other members of the senior management team including base salaries, bonuses or other performance incentives and stock options. In setting the salary of the Chief Executive Officer and other members of the senior management team, the Committee will take into consideration salaries paid to others in similar positions in the Company's industry.
- (e) Reviewing and making recommendations to the Board with respect to the implementation or variation of stock option plans, share purchase plans, restricted share plans, deferred share plans, compensation and incentive plans and retirement plans or other similar plans. The number of options, restricted shares or other compensation granted will give consideration to the potential contribution an individual may make to the Company's success.
- (f) The Committee shall prepare a report on executive compensation on an annual basis in connection with the preparation of the Company's annual information circular or as otherwise required pursuant to applicable securities laws. The Committee is also responsible to review all other executive compensation disclosure before it is filed with regulators and/or made public.
- (g) The report on executive compensation should be compliant with regulatory form requirements and should describe the process undertaken by the Committee and should speak specifically to the weighting factors and target levels set out in the determination of the executive's compensation. Where there are no clearly pre-established targets or payout ranges, the report on executive compensation should clearly indicate this fact.

- (h) The Committee is responsible for reviewing and recommending to the Board the compensation of the Board including, without limitation, annual retainer, meeting fees, option grants and/or other benefits conferred upon the Board.
- (i) The Committee is responsible for viewing and submitting to the Board, as a whole, recommendations concerning executive compensation and compensation plan matters. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will have the responsibility to instruct management to implement the directives.
- (j) The Committee may engage and compensate any outside advisor that it determines to be necessary from time to time to carry out its responsibilities.

4. GENERAL

4.1 The Committee is a committee of the Board and it is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to securityholders of the Company or any other liability whatsoever.

SCHEDULE "A"

POSITION DESCRIPTION FOR THE CHAIRMAN OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

1. PURPOSE

The Chairman of the Human Resources and Compensation Committee (the "**Committee**") of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in, among other things, (i) reviewing and recommending to the Board compensation packages of the President and Chief Executive Officer, as well as such other members of senior management as the Committee deems appropriate; and (ii) establishing periodic review of the management benefits and perquisites.

2. WHO MAY BE CHAIRMAN

The Chairman will be selected amongst the independent directors of the Company who have a sufficient level of experience with compensation issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the organizational meeting of the Board, and serve for a one-year term; however, if the Board does not appoint a Chairman, the members of the Committee shall designate a Chairman by a majority vote of the Committee. The Chairman may be re-appointed at the end of each term.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

- (a) Chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) Ensuring adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- (c) Providing leadership to the Committee to enhance the Committee's effectiveness, including:
 - Providing the information to the Board relative to the Committee's issues and initiatives and annually reviewing and submitting to the Board recommendations concerning overall compensation and benefits philosophies and programs for employees and management;
 - Ensuring that the Committee works as a cohesive team with open communication;
 - Ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner; and
 - Ensuring the appropriate research and peer group review is done to identify and assess trends in employment benefits and other compensation data;

(d) Managing the Committee, including:

- Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
- Preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- Ensuring meetings are appropriate in terms of frequency, length and content;
- Overseeing and participating in the review and approval, on an annual basis, of a report of the Committee to be disclosed in the Company's annual reporting materials in connection with the Company's annual meeting;
- Ensuring that the Committee reviews all executive compensation disclosure before it is publicly disclosed; and
- Annually reviewing with the Committee its own performance.