



MALBEX RESOURCES INC.

CORPORATE GOVERNANCE & COMPENSATION COMMITTEE

Charter

This charter (the "Charter") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Corporate Governance and Compensation Committee (the "Committee") of the directors (collectively the "Board" and individually a "Director") of Malbex Resources Inc. ("Malbex").

1. PURPOSE

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

Corporate Governance Matters

- developing corporate governance guidelines and principles for Malbex;
- identifying individuals qualified to be nominated as Directors;
- evaluating the structure and composition of Board committees; and
- evaluating the performance and effectiveness of the Board.

Compensation Committee Matters

- establishment of key human resources and compensation policies, including all incentive and equity based compensation plans;
- establishment of corporate goals and objectives relevant to the Chief Executive Officer's compensation;

- evaluation of the Chief Executive Officer's performance and determination of the Chief Executive Officer's and the senior executives' compensation;
- evaluation of the performance of senior management; and
- compensation of directors.

2. COMPOSITION AND MEMBERSHIP

- a. The members ("Members") of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a Director.
- b. The Committee will consist of at least three Members. Every Member must be a Director who is independent to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively "Applicable Laws").
- c. All Members will have a general familiarity with corporate governance practices and compensation and human resources matters.
- d. The chairman of the Committee (the "Chairman") will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time. The secretary of Malbex (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3. MEETINGS

- a. Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than two (2) times per year. Any member of the Committee or the auditor of Malbex may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice being given to each Member orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- b. The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present, then the Members present may select one of their number to act as chairman of the meeting.

- c. A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority of Members present at the meeting. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- d. The Committee may invite from time to time such persons as it considers appropriate to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet *in camera* without management at each meeting of the Committee.
- e. In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Malbex to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4. DUTIES AND RESPONSIBILITIES

The Committee will have the following duties and responsibilities:

Corporate Governance Matters

- a. Corporate Governance Documents: annually review Malbex's Corporate Governance Guidelines, Board Mandate, Position Descriptions for the Chairman and Chief Executive Officer, Committee Charters and principal corporate policies including the Code of Business Conduct and Ethics, Foreign Corrupt Practices Policy, Environmental Health & Safety Policy, Whistleblower Policy, Insider Trading Policy and Corporate Disclosure Policy (as applicable) and, in the Committee's discretion, recommend any changes to the Board for consideration;
- b. Corporate Governance Disclosure: ensure that all corporate governance documents referred to above (as applicable) are publicly disclosed on Malbex's website and made available to any shareholder of Malbex on request;
- c. Communication with the Board: communicate with the Board on corporate governance matters and review and approve, as required, public or regulatory disclosure respecting the corporate governance practices of Malbex as contained in Applicable Laws;

- d. Nomination of Directors: annually (i) review and assess the size, composition and operation of the Board to ensure effective decision making; (ii) review and assess the size, composition and Chairmen of all Board committees; (iii) identify and review candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications and experience of the candidate, and make recommendations to the Board for consideration;
- e. Board Evaluation: annually conduct, review and report to the Board the results of an assessment of the Board's performance and effectiveness;
- f. Succession Planning: annually prepare and review a succession plan for the Chairman of the Board (if any), the Chief Executive Officer and the executive management of Malbex;
- g. Share Ownership Policies: annually review policies on mandatory share ownership and make recommendations to the Board for consideration;
- h. Investigations: direct and supervise the investigation into any matter brought to the Committee's attention within the scope of its duties;
- i. Determine Independence: annually determine whether a Director is independent; and
- j. Other Matters: make recommendations from time to time to the Board concerning such other matters, including matters related to corporate governance, as the Committee may deem appropriate or as may be referred to it from time to time by the Board.

Compensation Matters

- a. Performance Objectives: annually review the Chief Executive Officer's and the senior executives' performance objectives and, in the Committee's discretion, recommend any changes to the Board for consideration;
- b. Evaluation of Performance: annually review and evaluate the Chief Executive Officer's performance in light of pre-established performance objectives and report its conclusions to the Board;
- c. Chief Executive Officer Compensation: annually review the Chief Executive Officer's compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;

- d. Executive Management Compensation: annually review the Chief Executive Officer's recommendations for the senior executives' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;
- e. Compensation Plans: annually review incentive compensation plans and equity-based compensation;
- f. Compensation Policies: ensure compensation policies for the Chief Executive Officer and the senior executives:
 - i. properly reflect their respective duties and responsibilities;
 - ii. are competitive in attracting, retaining and motivating people of the highest quality;
 - iii. aligns the interests of the Chief Executive Officer and the senior executives with the shareholders; and
 - iv. are based on established corporate and individual performance objectives.
- g. Directors' Compensation: annually review directors' compensation and, in the Committee's discretion, recommend any changes to the Board for consideration;
- h. Compensation Disclosure: review all annual executive compensation disclosure prior to being publicly released;
- i. Investigations: direct and supervise the investigation into any matter brought to its attention within the scope of its duties; and
- j. Other Duties: perform such other duties as may be assigned to it by the Board from time to time or as may be required by Applicable Laws.

5. REPORTING

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular of the Corporation. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6. ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding Malbex and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Malbex's expense, independent legal, financial and other advisors, consultants

and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the sole authority to retain and terminate any executive search firm to assist the Committee in identifying director candidates, including sole authority to approve the fees and other terms of retention of such search firms.

7. REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

8. CHAIR

The Chair of the Committee should:

- a. provide leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate, including overseeing the operation of the Committee;
- b. chair meetings of the Committee, unless not present, including *in camera* sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations of the Committee;
- c. ensure that the Committee meets at least twice per year and otherwise as considered appropriate;
- d. in consultation with the Chairman of the Board and the Committee members, establish dates for meetings of the Committee;
- e. set the agenda for each meeting of the Committee, with input from other Committee members, the Chairman of the Board, the Lead Director, if one, and any other appropriate persons;
- f. ensure that Committee materials are available to any director upon request;
- g. act as liaison and maintain communication with the Chairman of the Board and the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;

- h. report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;

Original Approval Date: December 3, 2009

Approved by: Corporate Governance and Compensation Committee
Board of Directors