

YUKON-NEVADA GOLD CORP.
CORPORATE GOVERNANCE
POLICY MANUAL

DECEMBER 2007

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PART 1 INTRODUCTION

1.1 Background

This Corporate Governance Manual was approved by the Board of Directors on July 22, 2005.

Corporate governance and conduct of directors and officers of Canadian corporations has, in the past several years, received significant attention. High profile reports issued by The Toronto Stock Exchange with respect to corporate governance in Canada have brought to the fore the issue of board of directors conduct and the significant potential ramifications of a failure by a corporation to properly monitor the conduct of its board of directors and officers.

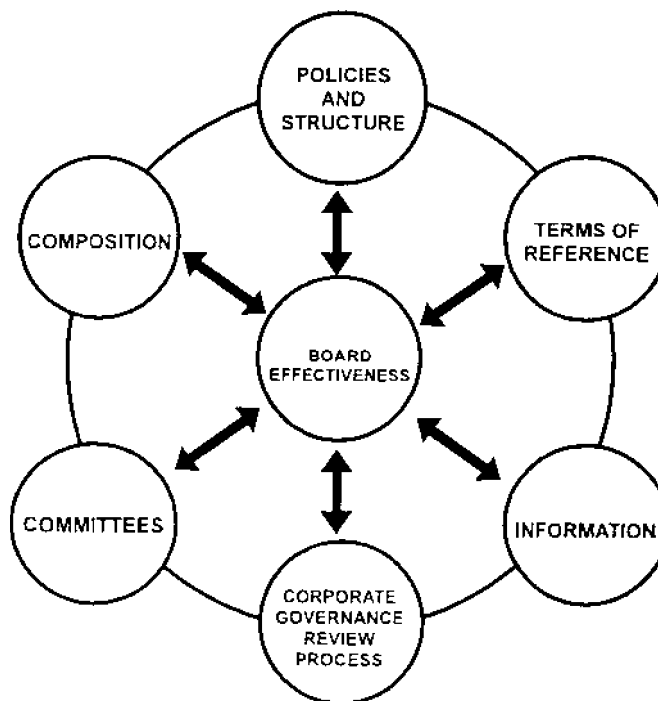
The board of directors of YNG determined it was advisable to establish a YNG corporate governance committee (the "Corporate Governance Committee"), which committee was established by resolution of the board of directors of YNG on May 19, 2005. The mandate of the Corporate Governance Committee (which is contained in this Manual and set out in detail in Appendix A) is to develop general policies relating to corporate governance of the board of directors, committees and management of YNG and to ensure that YNG has, in force, an effective corporate governance system which adds value and assists YNG in achieving its objectives. Such policies are to be developed by the Corporate Governance Committee and recommended to the board of directors for approval with a view to establishing mechanisms for achieving accountability by the board of directors, committees and management of YNG. Such policies (and their resulting mechanisms) will be incorporated in revised versions of this Manual.

In furtherance of the foregoing mandate, the Corporate Governance Committee has developed this policy manual (the "Corporate Governance Policy Manual") to guide YNG, its directors and management in the conduct of the business and affairs of YNG. The principles contained in the Corporate Governance Policy Manual are in addition to, and not in substitution for, any common law or other contractual provision between a director and/or officer and YNG.

The board of directors of YNG is committed to ensuring that YNG has an effective corporate governance system which adds value and assists YNG in achieving the objects of YNG.

In the Corporate Governance Policy Manual "corporate governance" means the process and structure used to supervise the business and affairs of YNG with the objective of ensuring that YNG operates within and achieves the objects of YNG.

The Corporate Governance Committee determined that it was important to consider corporate governance within the context of a model. The following model illustrates that effective governance is not a set of isolated initiatives or practice. It is a system of mutually reinforcing principles, structures and processes designed to enhance the effectiveness of the board of directors and management. The Corporate Governance Committee undertook to review and make recommendations regarding each of the aspects of governance outlined in the model.



In accordance with the mandate of the Corporate Governance Committee, described above and attached hereto as Appendix A, the Corporate Governance Committee established certain delineated areas which it has reviewed in detail:

- Terms of Reference - examined the roles, responsibilities, accountabilities and interrelationships of directors, officers, committees and management.
- Committees - examined the rationale, terms of reference and relationships of committees to the board of directors and management. The Chair of YNG will sit as either an appointed or ex-officio member on those committees of YNG established by the board of directors from time to time. The Corporate Governance Committee seeks the advice of the Chair with respect to each such committee of YNG prior to making recommendations relating thereto to the board of directors.
- Policies and Structure - examined policies and structure which support the board's ability to carry out its responsibilities.
- Information - examined the availability, relevance and timeliness of information required by the board of directors.
- Board Composition - reviewed an approach for determining the needs of the board of directors and an approach to nomination of directors of YNG to the board of directors and any vacancies resulting from the resignation or removal of any such Director are to be carried out by the Corporate Governance Committee.

- Corporate Governance System - reviewed processes to manage and continuously improve corporate governance at YNG and ensure the board's ability to operate independently of management.

1.2 Objective of Corporate Governance Policy- Manual

The objective of the Corporate Governance Policy Manual is to provide information and guidelines that will assist the board of directors of YNG in undertaking its responsibilities in the most effective manner possible on an ongoing basis.

PART 1 TERMS OF REFERENCE

1.1 Introduction

The objects of YNG provide that its board of directors shall administer its business and affairs in all things; that it shall act in its best interests; that it shall be accountable for its stewardship, including, but not limited to:

- overseeing its conduct and operation;
- reviewing and approving corporate strategies, plans and financial objectives;
- appointing, training, monitoring, advising and supervising senior management;
- assessing the performance and results of management and the Corporation;
- ensuring effective corporate communications with stakeholders and the public;
- ensuring the integrity of internal control and management/financial information systems;
- exercising duty of care; and
- preserving the Corporation's assets.

This board stewardship role includes as well:

- identification and monitoring of the principal risks to the Corporation's business; and
- adoption of relevant and reliable internal systems to enable the board to fulfill its responsibilities.

While the board of directors is required to administer the business and affairs of YNG, general supervision of the affairs of the board and committees is delegated to the Chair, and general and active management of its business and affairs is delegated to the President, who is the Chief Executive Officer. Specific tasks are delegated to the other officers who, together with the President, make up senior management; and further delegation occurs to the other members of management generally, for whom senior management (and ultimately the President) are responsible. The President and senior management formulate YNG strategic plans and present them to the board of directors for approval. The board of directors approves the strategic plans of YNG (including, for example, a long term strategic plan and short term operating plan) within which the business of YNG is managed, and evaluates management performance. Reciprocally, the President keeps the board of directors fully informed of the progress of YNG towards the achievement of its strategic plans and of all material deviations from such plans and policies established by the board of directors, in a timely and candid manner. Once the board of directors has approved the strategic plans and policies, it should act in a unified and cohesive manner in supporting and

guiding the President in implementing them.

.1.1 Terms of Reference for the Board of Directors

The role of the board of directors is most frequently defined in legal terms. In an effort to provide a practical description of the board's responsibilities, the Corporate Governance Committee has developed the terms of reference for the board of directors found in Appendix B. The general description of the board's responsibilities found in Appendix B and the terms of reference for directors found in Appendix C in no way should be construed as derogating from any applicable legal requirements with respect to the fulfillment, by each individual director, of his legal responsibility as such. The terms of reference contained in Appendix B and Appendix C are provided solely for the purposes of attempting to provide a practical description of the board's responsibilities. Additionally, given that YNG has issued certain of its securities to the public, the board of directors and YNG is subject to all applicable disclosure, reporting and other requirements under applicable securities and other laws.

.1.2 Terms of Reference for Directors

Each director has the duty to act in any circumstance in the way in which he/she¹ honestly believes to be in the best interests of YNG. The common law "standard of care" required to be discharged by directors of corporations incorporated pursuant to the provisions of Part II of the *Canada Corporations Act* is, generally stated, accepted to be a subjective standard of care, although evolving case law has suggested that directors of corporations which are subject to Part II of the *Canada Corporations Act* might, in some circumstances be held to the higher objective standard of care required, for example, by directors of corporations incorporated under various business corporation statutes (including the *Canada Business Corporations Act*). The present common law standard of care which is expected of the directors of corporations incorporated pursuant to the provisions of Part II of the *Canada Corporations Act* is subjective in nature (i.e. a director need only exhibit the degree of skill that may be reasonably expected from a person of his particular knowledge and experience). Accordingly, given the various backgrounds of the directors of YNG, it is likely that each director, with respect to the standard of care required from each such director, is subject to a differing standard. In any event, each director must:

- act in good faith with a view to the best interests of YNG;
- exercise powers properly for the purpose for which they are conferred;
- avoid conflicts;
- not fetter the exercise of directors' powers; and
- prevent YNG from acting in an illegal or financially irresponsible fashion, including, without restriction, making improper distributions or payments.

The terms of reference for individual directors found in Appendix C contain a set of practical guidelines.

.1.3 Terms of Reference for the Chair and the President

At YNG, the roles of the Chair and the President are distinct and there are different responsibilities associated with each title. Appendix C and Appendix J contain terms of reference for the Chair and the President, respectively, to reflect these differences.

The Chair is required to exercise general supervision over the affairs of the Board of Directors and the Committees.

In contrast, the President is designated to be the chief executive officer of YNG and is required to perform such duties as are customary for a chief executive officer of a corporation similar in size and operation to that of YNG. The President is also required to perform such other duties as may be determined by the board of directors from time to time.

.1.4 Summary

These terms of reference should be reviewed annually by the Corporate Governance Committee.

PART 1 COMMITTEES

1.1 Introduction

The corporate agenda of the board of directors of YNG is similar to most public company boards; the only practical way for it to operate efficiently is to delegate certain activities to management and to committees.

The board of directors establishes general terms of reference for committees in general. These terms are outlined in Appendix E - Terms of Reference for Committees.

.1.1 Committees

The board of directors operates with the following committees. The Corporate Governance Committee recommends their terms of reference to the board of directors for approval:

- Audit Committee - Appendix F;
- Corporate Governance Committee - Appendix A.
- Human Resources and Compensation Committee - Appendix G;

The terms of reference for each of the committees is reviewed on an annual basis by the Corporate Governance Committee in conjunction with each committee.

PART 1 POLICIES AND STRUCTURE

1.1 Introduction

YNG is committed to the principles of independence and accountability. Management is accountable to the board of directors. The board of directors is accountable to YNG.

1.2 Board of Directors Independence

The Board believes that a supportive, advisory and constructively critical partnership is the most effective relationship between the President and the board of directors.

The board of directors is committed to ensuring it can function independently of management and the structure and composition of the board of directors of YNG attempts to ensure such independence. The Board believes the structures and processes described below reinforce and support board of directors independence at YNG.

.2.1 Corporate Governance Committee

One of the principal reasons the Corporate Governance Committee was established was to ensure that the board of directors is able to function independently of management. The Corporate Governance Committee is a forum for concerns of individual directors about matters that are not readily or easily discussed at meetings of the board of directors.

The Corporate Governance Committee is responsible for all board of directors governance issues at YNG. Appendix A outlines the terms of reference for the Corporate Governance Committee.

.2.2 Composition of Committees

- a. **Audit Committee.** There is an Audit Committee of the Corporation which has the responsibility for reviewing the financial statements of the Corporation before such financial statements are approved by the Board of Directors and which has the general responsibility for reviewing the financial and internal controls, the accounting, audit and reporting activities of the Corporation, for reviewing annually the qualifications and objectivity of the Corporation's auditors, for making recommendations to the Voting Members and the Board of Directors, in the case of any vacancy in the office of auditor as to the selection of the Corporation's auditors and their fees, for reviewing the scope, results and findings of the Corporation's auditor's audit and non-audit services, and for reviewing annually the status of significant current and potential legal matters. The Audit Committee of the Corporation shall be composed of three independent Directors.

- b. **Corporate Governance Committee.** There is a Corporate Governance Committee of the Company which is responsible for matters of corporate governance generally including providing a list or nominees to the Board of Directors in respect of the appointment, re-appointment or replacement of Directors. The Corporate Governance Committee shall be composed of three Directors.
- c. **Human Resources and Compensation Committee.** The board of directors, by resolution passed on May 19, 2005 established a Human Resources and Compensation Committee, the mandate of which is described in Appendix G.

.2.3 The President and the Chair Review Process

One of the most important mechanisms which highlights the board's ability to function independently is the assurance there is a well-developed President and Chair annual review process in place. The Corporate Governance Committee recommends the process which is outlined in Section 7.2 of this Corporate Governance Policy Manual.

1.3 Board of Directors Size

The board of directors is small enough for constructive interaction to take place, but at some time should be large enough to encompass a broader representation of skills and experience.

Additionally, the current size of the board of directors provides for a limited allocation of committee assignments.

.3.1 Terms of Office

Directors hold terms for a period of up to one year for each appointment, expiring at each AGM.

1.4 Director Compensation and Liability Insurance

The Corporate Governance Committee reviews director compensation and directors' and officers' liability insurance on a bi-annual basis and makes recommendations to the board of directors regarding changes, if any are deemed necessary or appropriate.

The compensation plan for directors compensates directors in cash through board of directors and committee retainers, board of directors *and* committee meeting fees and as a result of board of directors and committee chair responsibilities.

YNG has directors' and officers' liability insurance. YNG has a total of \$_____ of coverage for both directors and officers as a group.

1.5 Executive Continuity Plans and the Board of Directors

The board of directors is committed to ensuring YNG is led by competent management. An important responsibility of the President is to ensure that he presents to the board of directors, at least on an annual basis, a plan for management

succession and development.

1.6 Strategic Planning and the Board of Directors

The President, with the support of the board of directors, is responsible for leading YNG into the future and therefore must ensure there are long term goals and strategies in place. This occurs on an annual basis and is an important component of the Board of Director's Forward Agenda (see Section 5.3.1).

The initiative for developing the corporate strategy comes from management. The board of directors participates in the discussion of the strategy, responds to and contributes ideas and approves the strategy. However, management leads this process.

The board of directors is responsible for monitoring management's success in implementing the strategy.

PART 1 BOARD OF DIRECTORS INFORMATION 5.1

1.1 Introduction

The board of directors must have access to all the information needed to carry out its full responsibilities. The information must be available in a timely manner, in a format conducive to effective decision making and be tailored to directors' needs. Good quality information is a cornerstone for effective board of directors governance.

1.2 Meeting Frequency and Location

.2.1 Frequency

The board of directors will normally attempt to meet six times in each financial year and, in any event, meet more frequently if, as and when required, as determined by the board of directors.

1.3 Board of Directors Meetings and Agendas

.3.1 Forward Agenda

A Forward Agenda outlines important issues that must be covered by the board of directors annually. An example of a Forward Agenda for YNG can be found in Appendix H. The Corporate Governance Committee has developed and recommends the use of a Forward Agenda.

.3.2 Meeting Agenda

The agenda for a board of directors meeting should be drafted by the Chair and the President.

The meeting agenda and background material on agenda items should be provided prior to each meeting so that the board of directors has an opportunity for advance review and assessment of the relevant materials. Information for board of directors meetings should normally be delivered to the board of directors no later than a full weekend before the board of directors meeting.

.3.3 Board of Directors Meetings

For important discussions that demand a thorough debate of various courses of action, management should forward a summary describing the issues to the board of directors.

The summary should include management's recommendations and an assessment and analysis of the risks. Directors should receive this information in time to clarify issues and facts if necessary.

Wherever possible directors may prefer to have important issues dealt with over the course of two meetings. In such circumstances the first meeting allows for a thorough briefing of the directors and the second meeting provides for final discussion and decision after further relevant information has been provided, if appropriate.

.3.4 President's Report

A central feature of each board of directors meeting should be the President's report concerning the state of YNG and events affecting it since the previous meeting, including, without restriction, a financial report on the business of YNG.

1.4 Board of Directors Access to Management

.4.1 Management at Board of Directors Meetings

The board of directors encourages the President to bring employees, as he may deem appropriate, to board of directors meetings for two reasons:

- a. to provide additional insight into the items being discussed; and
- b. to provide exposure to the board of directors of high potential employees.

The board of directors is comfortable with the attendance of non-board members who are invited by the board of directors and the President to make presentations. Should the President want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made through the Chair to the board of directors for its concurrence.

However, it is also expected that at each meeting, the board of directors will have an opportunity to meet together without the attendance of non-board members.

.4.2 Board of Directors Access to Management

It is assumed that directors will use judgment when contacting employees to be sure that this contact is not distracting to the business operation. It is also assumed that the majority of this contact will be in the context of committee responsibilities.

PART 1 COMPOSITION OF DIRECTORS

1.1 The Corporate Governance Committee and the Nominating Process for Directors

.1.1 Director Criteria

When establishing criteria for the appointment of directors, consideration must be given to the director's ability to contribute to YNG's current and future business interests, to participate in the deliberation of issues impacting YNG's strategic direction and to reinforce YNG's public image and reputation.

Given the importance of the composition of the board of directors, on an annual basis and in a reasonable period of time prior to each annual meeting, the Corporate Governance Committee should undertake a comprehensive review of the composition of the board of directors and make recommendations to the board of directors regarding any perceived necessary changes in the composition of the board of directors.

An outline of the process recommended for this review can be found in Appendix L - Establishing Director Criteria for Directors.

The review process will include an analysis of the goals, objectives, strategy and operations of YNG. The purpose is to assess what implications this analysis might have for determining the composition of the board of directors. This process should be followed by an examination of the skills, experience and background which exist on this current board of directors. The specifications of an ideal board of directors mix has been developed that is unique to YNG. This profile serves as a guideline for the process of developing a summary of the needed skills and experience for the board of directors.

By comparing the profile of the present board of directors with the ideal board of directors, one can begin to identify possible gaps and opportunities.

It is implicit that as part of this review it is important for the Corporate Governance Committee to take into consideration each director's contribution to the board of directors utilizing Appendix C as a guide.

.1.2 Developing Candidates Who Meet the Criteria

The Corporate Governance Committee has established criteria to develop a pool of potential candidates. The Corporate Governance Committee's responsibility is to annually ensure there is a pool of potential candidates who meet the established criteria.

.1.3 Consultation With the Chair and the President

The process for nominating, selecting and appointing new directors is led by the Corporate Governance Committee. In addition, the Corporate Governance Committee believes it is imperative there be frequent consultation with the Chair and the President during this process. In this way, the board's independence is maintained yet the importance of a collegial and supportive relationship between the board of directors, the Chair and the President is recognized.

PART 1 BOARD OF DIRECTORS GOVERNANCE SYSTEM

1.1 Board of Directors Governance System

The board of directors has the responsibility to develop, implement and continuously improve effective corporate governance practices at YNG.

The Corporate Governance Committee is central to assisting the board of directors in maintaining a focus on effectiveness of the board of directors. As a practical tool to assist the Corporate Governance Committee in keeping track of the timing of its activities, it uses the Timetable found in Appendix A.

1.2 The Chair and the President Evaluation

The board of directors oversees and monitors the effectiveness of the Chair and the President.

The Human Resources and Compensation Committee has developed and utilizes a President evaluation process and undertakes this review, in conjunction with the Chair, on behalf of the board of directors. found in Appendix I.

The effectiveness of the Chair is evaluated by the board of directors in conjunction with the Board. Chair and Committee Evaluation process as found in Appendix J.

1.3 Board of Directors Evaluation

.3.1 Introduction

The Corporate Governance Committee has identified the need and established a process for reviewing the performance of the President, the Chair, the board of directors "as a whole" and its Committees and directors individually. The Board and Committee evaluation process will occur on a formal basis every two years. In those years when there is no formal process, the onus for evaluation will rest with the Committees to ensure their self-assessments are carried out and subsequent Committee evaluations shared with the Corporate Governance Committee and the Board.

In addition, in those years when no formal evaluation process is carried out, the Chair will canvas each Director to discuss issues and concerns.

.3.2 Board of Directors and Committee Evaluation Process

A biennial review of the board of director's activities by the entire board of directors enables all directors to contribute their ideas for improvement.

The Corporate Governance Committee utilizes the Board and Committee Review Process outlined in Appendix J. It is designed to evaluate the board of director's contribution as a whole and to review areas in which the board of directors believes a better contribution can be made. Its purpose is to increase the effectiveness of the board of directors.

1.4 Individual Director Assessment Process

The Corporate Governance Committee believes that individual director evaluation should take place as part of the biennial board review.

Individual director terms of reference are outlined in Appendix C. The Corporate Governance Committee includes an assessment of individual director contribution, utilizing, Appendix J.

1.5 New Director Orientation

A formal orientation program for new directors has been developed to assist new directors in familiarizing themselves with YNG and assisting them in understanding their responsibilities and enhancing their ability to contribute. The first priority of the orientation program is to familiarize newly elected directors with his/her role, responsibilities and liabilities and provide them with an overview of YNG.

**APPENDIX A – TERMS OF REFERENCE FOR THE CORPORATE
GOVERNANCE COMMITTEE**

I. PURPOSE

- A. At YNG, "board governance" means the process and structure used to supervise the business and affairs of YNG. The process and structure define the division of power and establish mechanisms for achieving accountability by the Board and management.
- B. The purpose of the Corporate Governance Committee (the "Committee") is to provide a focus on board governance that will enhance the corporate performance of YNG. The Committee's activities shall include reviewing, monitoring and making recommendations regarding the effectiveness of the Board of YNG, establishing and administering a process for the ongoing selection and development of its directors; and recommending the composition and Chairs of the various Committees.

II. COMPOSITION AND TERM OF OFFICE

- A. The Committee shall be composed of three directors, provided one of the members of the Committee shall be the Board Chair.
- B. The Board Chair is eligible to serve as Chair of the Committee.
- C. Members of the Committee are eligible for reappointment at the will of the Board.
- D. A majority of the members of the Committee shall constitute a quorum.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee shall:

- A. Develop and update a long term plan for the composition of the directors that takes into consideration the current strengths, skills and experience on the Board, and the strategic direction of YNG;
- B. Develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans;
- C. Recommend to the Board nominees for election as directors of the Board;
- D. Review, monitor and make recommendations regarding new director orientation and the ongoing development of existing members of the Board;

- E. Review annually, for Board approval, the Corporate Governance Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board, the Board Chair, the President, directors and Committees.
- F. Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings and make recommendations to the Board as required;
- G. Review the Corporation's structures and procedures to ensure the Board is able to, and in fact does, function independently of management;
- H. Recommend to the Board, and implement, an appropriate evaluation process for the Board, the Board Chair and Board committees and assume responsibility for recommending an individual director evaluation process at the appropriate time;
- I. Periodically, in consultation with the Chair, review and recommend composition and Chairs of various Committees;
- J. As required, Review and make recommendations to the Board respecting directors' remuneration (fees, retainer and other amounts) and benefits to be provided or paid to directors and directors' and officers' insurance;
- K. Prepare recommendations for the Board regarding any reports required or recommended on corporate governance (e.g. public reports required to meet TSE guidelines),
- L. Review and recommend revisions to its terms of reference to the Board; and
- O. Have such other powers and duties as may be delegated to it by the Board from time to time.

IV. ACCOUNTABILITY

The Corporate Governance Committee shall report to the Board at each regular meeting all such action it has taken since the previous report.

V. CORPORATE GOVERNANCE COMMITTEE TIMETABLE

The major annual activities of the Corporate Governance Committee are outlined in the schedule on the following page.

APPENDIX B – TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

I. Introduction

The primary responsibility of the board of directors is to foster the long-term success of YNG consistent with its fiduciary responsibility to YNG.

The board of directors operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The board of directors retains the responsibility for managing the business and affairs of YNG, including planning the composition of Directors, selecting its Chair, appointing officers and committees and determining director compensation. Its principal duties fall into six categories.

The Board of Directors shall act in the best interests of the company and be accountable for the stewardship of the company, including, but not limited to, overseeing the conduct and operation of the company, reviewing and approving corporate strategies, plans and financial objectives, appointing, training, monitoring, advising and supervising senior management, assessing the performance and results of management and the company, ensuring effective corporate communications with the public as contemplated herein, ensuring integrity of internal control and management/financial systems, exercising duty of care and preserving the company's assets.

II. Selection of Chair, President and Officers

The board of directors has the responsibility:

- A. for the appointment and replacement of a President and the Chair, for monitoring and review (with and through the Corporate Governance Committee) of the President's compensation and providing advice and counsel to the President in the execution of his duties;
- B. acting upon the advice of the Human Resources and Compensation Committee, and the President concerning his direct reports, to approve the appointment and remuneration of all officers; and
- C. for ensuring that plans have been made for management succession.

III. Monitoring and Acting

The board of directors has the responsibility:

- A. to monitor YNG's progress towards its objects and policies, and to revise and alter its direction through management in light of changing circumstances;
- B. for the identification of the principal risks of YNG's business and ensuring the implementation of appropriate systems to manage these risks; and

- C. for ensuring the implementation and integrity of YNG's internal control and management information systems.

IV. Strategy Determination

The board of directors has the responsibility to review with management the mission of the business, its objects and policies, and the strategy by which it proposes to reach those objects and policies.

V. Policies and Procedures

The board of directors has the responsibility:

- A. to approve and monitor compliance with all significant policies and procedures by which YNG is operated; and
- B. to ensure that YNG operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

VI. Reporting to Stakeholders

The board of directors has the responsibility:

- A. to ensure that the financial performance of YNG is adequately reported to security holders and regulators, as applicable, on a timely and regular basis;
- B. to ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- C. to ensure the timely reporting of any other developments that have a significant and material impact on YNG; and
- D. to report annually to security holders and others required by applicable law on its stewardship for the preceding financial year.

VII. Legal Requirements

- A. The board of directors is responsible for ensuring that all applicable legal requirements have been met, and documents and records have been properly prepared, approved and maintained.
- B. Canadian law, establishes the legal requirements for the board of directors:
 - (i) to manage the business and affairs of YNG;
 - (ii) to act honestly and in good faith with a view to the best interests of YNG;
 - (iii) to exercise the care, diligence and skill that might reasonably be expected from a person of his knowledge and experience;

- (iv) to act in accordance with its obligations contained in the *Canada Corporations Act*, the Securities Act of each province and territory of Canada in which YNG is a "reporting issuer", and other relevant legislation and regulations;
- (v) the following responsibilities cannot be delegated to management or to any Committee:
 - a. the filling of a vacancy among the directors or in the office of the external auditor;
 - b. the manner and the term for the issuance of securities of YNG;
 - c. the payment of a commission to any person in consideration of the purchase or agreement to purchase securities of YNG from YNG or from any other person, or procuring or agreeing to procure purchasers for any such securities;
 - d. the approval of management proxy circulars;
 - e. the approval of any directors' circular; and
 - f. the approval of the financial statements of YNG.

APPENDIX C – TERMS OF REFERENCE FOR A DIRECTOR

I. Goals and Objectives

As a member of the board of directors, each director shall:

- A. fulfill the legal requirements and obligations of a director which includes a comprehensive understanding of statutory and fiduciary responsibilities;
- B. ensure that the best interests of YNG are paramount; and
- C. participate in the review and approval of corporate policies and strategy and to monitoring their implementation.

II. Duties and Responsibilities

A. Board of Directors Activity

As a member of the board of directors, each director shall:

- (i) exercise good judgment and act with integrity;
- (ii) use his abilities, experience and influence constructively;
- (iii) be an available resource to management and board of directors;
- (iv) respect confidentiality;
- (v) advise the President and/or the Chair when introducing significant and/or previously unknown information or material at a board of directors meeting;
- (vi) understand the difference between governing and managing, and not encroach on management's area of responsibility;
- (vii) be aware of potential conflict areas - real or perceived - and adopt an objective position;
- (viii) when appropriate, communicate with the Chair and/or the President between meetings;
- (ix) demonstrate a willingness and availability for one-on-one-consultation with the Chair and/or the President; and
- (x) evaluate the President, the Chair and YNG's performance.

B. Preparation and Attendance at Meetings of the Board of Directors

To enhance effectiveness of the board of directors and committee meetings each director shall:

- (i) prepare for board of director and committee meetings by reading reports and background materials prepared for each meeting;
- (ii) maintain an excellent board of directors and committee meeting attendance record; and
- (iii) make such inquiries and acquire, as needed, adequate information necessary for decision making.

C. Communication

Communication is fundamental to board of directors effectiveness and therefore each director shall:

- (i) participate fully and frankly in the deliberations and discussions of the board of directors;
- (ii) encourage free and open discussion of the affairs of YNG by the board of directors and its members;
- (iii) ask probing questions focused on policy and strategy; and
- (iv) question officers in an appropriate manner and at proper times on strategy, Implementation and results.

D. Independence

Recognizing that the cohesiveness of the board of directors is an important element in its effectiveness, each director shall:

- (i) be a positive force with a demonstrated interest in the long-term success of YNG; and
- (ii) speak and act independently.

E. Board of Directors Interaction

As a member of the board of directors, each director shall establish an effective, Independent and respected presence and a collegial relationship with other members of the board of directors.

F. Committee Work

To ensure that the board of directors committees are effective and productive each director shall:

- (i) participate on committees when asked and become knowledgeable with the purpose and goals of the committee; and
- (ii) understand the process of committee work, and the role of management and staff supporting the committee.

G. Business, Corporation and Industry Knowledge

Recognizing that decisions can only be made by well informed members of the board of directors, each director shall:

- (i) remain knowledgeable of YNG's business and industry;
- (ii) maintain an understanding of the regulatory, legislative, business, social and political environments within which YNG operates;
- (iii) become acquainted with management and the officers of YNG; and
- (iv) be an effective ambassador and representative of YNG.

APPENDIX D - TERMS OF REFERENCE FOR THE CHAIR

I. Introduction

Article 2.1.3 of this Corporate Governance Policy Manual sets out the nature of the role of the Chair. Given the broad statement of the powers of the office of the Chair, the Corporate Governance Committee, in conjunction with the Chair, has more specifically delineated the responsibilities of the Chair.

II. Chair Responsibilities

A. Introduction

The Board of Directors has ultimate accountability for the management of YNG. Critical to meeting this accountability is the relationship between the Board of Directors, management, stakeholders. The Chair, as the presiding member of the Board of Directors, must ensure that these relationships are effective and efficient and further the best interests of YNG. In performing this role, the Chair shall work with management, manage the board of directors, and ensure effective relations with stakeholders and the public. In this regard, the Chair, in concert with the President, is responsible *for* public interaction with respect to the affairs of YNG.

B. Board of Director's Interface with Management

The Chair shall:

- a) ensure management is aware of concerns of the board of directors;
- b) ensure that management strategy, plans and performance are appropriately conveyed to the board of directors; and
- c) ensure the board of directors has exposure to the management team.

C. Managing the Affairs of the Board of Directors

The Chair shall:

- a) chair board of directors meetings;
- b) ensure that the mechanisms for effective governance are in place and the board of directors is alert to its obligations to YNG, Members, management, and other stakeholders under applicable law;
- c) provide strong leadership to the board of directors and assist in reviewing and monitoring the vision, strategy, and policies of YNG;

- d) as a member of the Corporate Governance Committee, participate in recommending the committees of the board of directors and their composition, review the need for, and the performance and suitability of, those committees and recommend such adjustments as are deemed necessary from time to time;
- e) in conjunction with the Corporate Governance Committee, ensure that the Director selection process and composition of the Directors is appropriate and serve the needs of YNG; and
- f) conduct board of directors meetings in an efficient, effective and focused manner.

APPENDIX E – TERMS OF REFERENCE FOR COMMITTEES

I. Committee Responsibilities

Committees analyze, in depth, policies and strategies developed by management, which are consistent with their terms of reference. They examine proposals and where appropriate make recommendations to the full board of directors. Committees do not take action or make decisions on behalf of the board of directors unless specifically mandated to do so.

II. New Committees and Terms of Reference

- A. There will be occasions when the board of directors may want to form a new committee or disband an existing committee depending upon the circumstances.
- B. Each committee shall undertake a comprehensive review of their terms of reference in the first quarter of each year.
- C. The Corporate Governance Committee at the beginning of each fiscal year shall:
 - (i) review the terms of reference of all committees to ensure that together they meet the needs of YNG; and
 - (ii) recommend the addition or deletion of committees.

III. Leadership and Membership

- A. In consultation with the Chair, the Corporate Governance Committee is responsible for recommending members to various committees.
- B. The policy of the board of directors is to periodically rotate committee members taking into account the desirability and benefits of maintaining continuity in committee membership.
- C. The President participates in meetings of committees of which he is not a member by invitation and the Chair participates in meetings of committees either as an appointed member of such committee or, if not specifically appointed, as an ex-officio member.
- D. Chairs of committees are *selected* by the full board of directors on the recommendation of the Corporate Governance Committee and the Chair.
- E. The Chair of a committee presides at meetings and is responsible to ensure the work of the committee is well organized and proceeds in a timely fashion. The Chair of the committee shall arrange for an alternate to chair a meeting(s) of the respective committee if he is absent from such meeting.

IV. Committee Meetings and Agendas

- A. The Chair of each committee, in consultation with the committee and the Chair, will determine the agenda, frequency and length of the meetings.

- B. A committee may request the assistance of external advisors to research, investigate and report on matters within a committee's terms of reference. This request should be coordinated through the Chair.
- C. Each committee shall include as part of its terms of reference a timetable of their major annual activities.

V. Reporting

Each committee has the duty to report to the full board of directors all matters which it considers to be important for full board of directors consideration. Minutes of the deliberations of the board of directors and the Committees shall be available to the board of directors.

APPENDIX F – TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

I. Purpose

The purpose of the Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial statements of the Corporation; reviewing the financial and internal controls, the accounting, audit and reporting activities of the Corporation; reviewing annually the qualifications and objectivity of the Corporation's auditors; making recommendations to the Members and the Board of Directors, in the case of any vacancy in the office of auditor as to the selection of the Corporation's auditors and their fees; for reviewing the scope, results and findings of the Corporation's auditor's audit and non-audit services; and for reviewing annually the status of significant current and potential legal matters.

II. Composition

The Audit Committee shall be composed of three Directors comprising entirely of Independent Directors.

III. Duties and Responsibilities

Subject to the powers and duties of the board of directors, the board of directors in furtherance of the mandate of the Audit Committee, hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee:

- A. The Audit Committee shall review and recommend updates to its terms of reference to the Corporate Governance Committee of the Board of Directors annually.
- B. The Audit Committee shall meet not less often than four times per year.
- C. The Audit Committee shall have responsibility for:
 - i. reviewing the financial statements of YNG and if appropriate recommending the approval of such financial statements by the Board of Directors;
 - ii. reviewing the internal financial and accounting, audit and reporting systems controls of YNG;
 - iii. reviewing the independence, qualifications and objectivity of YNG's auditors, and making recommendations to the board of directors in the ease of vacancy of an auditor, as to the selection of YNG's auditors;
 - iv. reviewing and recommending auditors' remuneration;
 - v. reviewing the scope, results and findings of YNG'S auditors, audit and non-audit services; and

- vi. reviewing annually the status of significant current and potential legal matters.
- D. The Audit Committee shall ensure that effective lines of communication are maintained with the external auditor, internal auditors, financial management and the board of directors.
- E. The Audit Committee shall review with the auditors of YNG the relationships existing between them and the management of YNG to ensure an effective liaison in the coordination of audit effort regarding completeness of coverage, avoidance of redundant efforts and the effective use of audit resources.
- F. The Audit Committee shall review, discuss and consider with the auditors their approach to risk assessment, scope and plan of their audits. The review may include:
- i. an annual assessment of areas of greatest risk to YNG and steps taken to address those risks;
 - ii. the annual assessment of YNG'S insurance coverage, including the adequacy and cost thereof;
 - iii. the annual audit plan and overall audit universe;
 - iv. changes made from time to time in the audit universe and reasons therefor;
 - v. methods employed by management of YNG to assess risk and to prioritize the various audit proposals identified in the annual plan as well as unscheduled audit proposals: and
 - vi. any unusual occurrence affecting the management which may preclude the completion of the audit plan.
- G. The Audit Committee shall consider and review with the auditors and management of YNG:
- i. the adequacy of YNG's internal financial controls;
 - ii. recommendations for the improvement of YNG's accounting procedures and internal financial controls; and
 - iii. any related significant findings and recommendations together with management's responses thereto.
- H. The Audit Committee shall review the annual consolidated financial statements which are to be submitted to the board of directors including management's discussion and analysis, if any, contained therein, or in any other relevant documentation. The review, may include:
- i. reports from the auditors as to the results of their examination to date and

advise them of any problems regarding financial reporting in the annual report of YNG, including any disagreements that may have arisen between the auditors and management in any area:

- ii. meeting(s) with management of YNG who shall outline any problems as to financial policies, financial reporting or matters relating to internal control and any matters in contention with or under consideration by the auditors or management of YNG;
 - iii. the appropriateness of existing accounting principles being employed and any change in accounting policy or practice which the auditors may refer to in their audit report;
 - iv. any proposed changes in financial statement presentation or footnote the auditors may recommend: and
 - v. other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards.
- I. The Audit Committee shall review with management of YNG and the auditors quarterly interim financial statements and if appropriate recommend approval of such quarterly statements to the board of directors.
- J. The Audit Committee shall consider and review with management:
- i. any difficulties encountered in the course of the audits conducted by the auditors, including any changes to or restrictions on the scope of their work or access to required information;
 - ii. the internal auditing department budget and staffing and
 - iii. the internal auditing department charter including the internal audit plan.
- K. The Audit Committee shall review legal, regulatory and social matters that may have a material impact on the financial statements, related YNG compliance policies and programs and reports prepared to manage and monitor YNG compliance policies. The Audit Committee shall receive reports concerning YNG's environmental management program on a quarterly basis, and review ongoing environmental compliance Issues.
- L. The Audit Committee shall confirm and assure the independence of the auditors, including a review of management consulting services and related fees provided by the auditors.
- M. The Audit Committee shall meet with management and the auditors in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

- N. The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- O. The Audit Committee shall perform such other functions as assigned by law or the board of directors, and may review other items of an internal control or risk management nature which may from time to time be brought before the Audit Committee.
- P. The Audit Committee shall conduct a self-assessment at least annually, and discuss the results with the board of directors.

V. Accountability

The Audit Committee shall report to the board of directors at the next board meeting all such action it has taken since its previous report to the board of directors

APPENDIX - TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

Items	Mar.	May	Aug.	Nov
<u>Financial Statements</u>				
• Review and approve first quarter financial statements		X		
• Review and approve second quarter financial statements			X	
• Review and approve third quarter financial statements				X
• Review and approve year end audited financial statements	X			
• Review and approve press releases containing, financial disclosure	X	X	X	X
<u>Financial Forecasts</u>				
• Review of 12 month financial forecast	X			
<u>Strategic/Business Planning & Budget</u>				
• Review and approve detailed budget for upcoming fiscal year based on Business Plan approved by Board of Directors	X			
<u>Legal and Regulatory Matters</u>				
• Review quarterly Environmental Report		X		
• Review quarterly' Litigation Report		X		
• Review and approve Annual Information Form and MD&A	X			
<u>External Auditors</u>				
• Review of Auditor's Management Letter	X			
• Follow up on recommendations contained in Auditor's Management Letter		X	X	X
• Review of External Auditor's Plan				X
• Recommend to Board of Directors appointment of External Auditors and their fees for upcoming fiscal year	X			
• Meet in camera with External Auditors	X			
• Receive External Auditors report on financial statements	X	X	X	X
<u>Internal Audit (Future Req'mt)</u>				
• Review an approve annual Internal Audit Plan				
• Review staffing and budget of maternal Audit Department				
• Review charter of Internal Audit Department				
• Receive report of Internal Auditor				

<u>Treasury</u>				
• Receive quarterly treasury report	X		X	
• Review and approve investment strategies (<i>as required</i>)	X	X	X	X
<u>YNG Pension Plan (Possible Future Requirement)</u>				
• Receive and review audited financial statements of Pension Plan				
<u>Governance</u>				
• Review Terms of Reference for Audit Committee	X			
<u>Insurance</u>				
• Review insurance coverages in place including directors' and officers' liability insurance	X			

**APPENDIX G – TERMS OF REFERENCE FOR THE HUMAN RESOURCES
AND COMPENSATION COMMITTEE**

I. Purpose

The purpose of the Human Resources and Compensation Committee (the "Committee") is to provide oversight in ensuring a high quality of leadership and an employee relations strategy that provides for ongoing flexibility and productivity throughout YNG (the "Company"). Specifically, the Committee will ensure that the human resources plans and programs are designed to establish a challenging, productive and pleasant workplace for its employees, treating them with fairness, offering them competitive salaries and benefits and otherwise reflect the Company's human resources values and principles.

II. Composition and Terms of Office

The Committee shall consist of the Company's Chair of the Board of Directors and at least two other directors. The Committee shall meet not less than four times per year.

III. Duties and Responsibilities

The Board hereby delegates to the Committee the following powers and duties:

1. The Committee shall develop a YNG compensation philosophy and guidelines that are competitive and motivating, and that attract and retain all employees, management and staff alike.
2. The Committee shall design and recommend for approval by the Board of Directors, the terms of the YNG Pension Plans and Supplemental Retirement Plans (when appropriate).
3. The Committee shall review submissions from the President and recommend approval to the Board of Directors, recruitment, appointments or terminations of Officers who are direct reports to the President.
4. The Committee, in accordance with Appendix Q, shall evaluate the President's performance and recommend approval of the consolidated appraisal statement to the Board.
5. The Committee shall review and update the Executive Total Compensation Package (Base Pay, Incentive Pay, Benefits, Perquisites) annually to ensure it is competitive the marketplace and meets YNG's compensation philosophy.
6. The Committee shall review and approve as appropriate, the selection and terms of reference of outside consultants retained to provide benchmark analysis and advice for compensation programs (if required).
7. The Committee shall review and approve annually, compensation, incentive payments, perquisites and benefits of the President and of Officers who are direct reports to the President.

8. The Committee shall review and approve annually, management's succession plans and career planning and development for Officers who are direct reports to the President.
9. The Committee shall review and recommend updates to its terms of reference to the Corporate Governance Committee of the Board of Directors annually and provide the members with access to such terms of reference.
10. The Committee shall also have such other powers and duties as may be delegated to it from time to time by the Board of Directors.
11. The Committee shall report to the Board of Directors at the next Board meeting, all such action it has taken since its previous report to the Board of Directors.

IV. HRC Committee Timetable

The major activities of the HRC Committee are outlined below.

V. Human Resources and Compensation <i>Committee</i> Timetable												
Agenda Items	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Approve the terms of reference and provide guidance to the outside consultants for their input to the annual Total Compensation review		X										
Biannual review and approval of the Executive Total Compensation Package					X							
Review and approve management succession plan; career planning and development for officers					X							
Discuss President's Evaluation with President; formulate recommendations to Board of Directors		X										
Approve base salaries for Officers who are direct reports to President and CEO		X										
Approve changes to compensation and benefits, including short and long-term incentive payments, of President and CEO										X		

APPENDIX H – BOARD OF DIRECTORS FORWARD AGENDA

<i>Items</i>	Mar	May	June	July	Aug.	Nov
Financial Matters						
<ul style="list-style-type: none"> • Approve quarterly financial statements 		X			X	X
<ul style="list-style-type: none"> • Approve year end audited financial statements 	X					
<ul style="list-style-type: none"> • Approve press releases relating to financial disclosure 	X	X			X	X
<ul style="list-style-type: none"> • Approve short, medium or long term financing (<i>as required</i>) (including bond issuances, medium term notes, bank borrowings, lines of credit, etc.. and ancillary documentation including prospectuses, underwriting agreements, agency agreements, etc. and related board resolutions) (<i>as required</i>) 						
<ul style="list-style-type: none"> • Approve banking and signing resolutions (<i>as required</i>) 						
Strategic/Business Planning & Budget						
<ul style="list-style-type: none"> • Review and approve annual strategic and business plan 	X					
<ul style="list-style-type: none"> • Review and approve annual budget 	X					
Investment Approvals						
<ul style="list-style-type: none"> • Approval of new capital expenditures in excess of \$1 million and any capital project amendments which put project into the \$1 million realm (<i>as required</i>) 						
<ul style="list-style-type: none"> • Approval of individual unbudgeted financial commitments (<i>as required</i>) 						
Annual Meeting						
<ul style="list-style-type: none"> • Set date and approve location of Annual Meeting 	X					

Appointment of Directors & Officers <ul style="list-style-type: none"> • Re-elect members to Board of Directors • Appoint Chair of the Board • Appoint officers of the company (<i>as required</i>) 		X				
		X				
Legal and Regulatory Matters <ul style="list-style-type: none"> • Review and approve annual Information form and MD&A 	X					
General <ul style="list-style-type: none"> • Receive and review Chair's Report • Receive and review President's Report • Review reports on corporate performance measurements • Approve corporate policies, code of business conduct, etc. (<i>as required</i>) • Receive report of Corporate Secretary on disclosure by officers and directors of conflicts of interest • Approve appointment of auditors and their fees • Receive and approve reports of Chairs of Committees • Participation in Chair and President Review Process (<i>as required</i>) 		X				
	X	X	X		X	X
	X	X			X	X
		X				
		X				
		X				

APPENDIX I – THE PRESIDENT REVIEW PROCESS

I. Information

The following documents constitute the benchmarks against which the President's review process takes place:

- A. The President's position description which can be found in Appendix .
- B. The Business Plan including the strategic plan and budget.
- C. Any specific targets and goals discussed with the Board at the beginning of the year but not included in the above material.

II. The President's Self Appraisal

- A. The Board needs to know how the President evaluates his/her- performance against the objectives established above and what the President views as the priorities for the coming year.
- B. This self-appraisal will be in written form. It can be in brief point form if the President prefers.
- C. The Human Resources & Compensation Committee (the "HRCC") will discuss the President's self-appraisal with the President before the HRCC finalizes the President's evaluation report.

III. Director Involvement

- A. Every director will be encouraged to provide his/her own assessment of the President's performance. The HRCC Chair and the Board Chair will provide a format for director input.
- B. All directors submit their input to the HRCC Chair and the Board Chair regarding the President's performance.
- C. These assessments will be consolidated by the HRCC Chair and the Board Chair into a coherent, prioritized statement from the Board to the President.
- D. The HRCC Chair and Board Chair discuss the consolidated statement with the HRCC and the HRCC members discuss the Directors' consolidated assessment with the President.
- E. The HRCC formulates recommendations to the Board.
- F. The HRCC Chair and the Board Chair discuss the results of the President's evaluation with the full Board in the context of the President's self appraisal, the consolidated statement and the HRCC recommendations,

- G. The HRCC Chair and the Board Chair discuss with the President the outcome of the full Board's deliberations on the matter.

<i>Activity</i>		
The President writes and distributes self-appraisal and objectives for next year to the full Board	President	January
HRCC Chair and Board Chair provide format for President's review and individual directors submit their assessments to the HRCC Chair and Board Chair	HRCC Chair Board Chair Individual directors	January
Input from directors is consolidated by HRCC Chair and the Board Chair	HRCC Chair and the Board Chair	February
HRCC Chair and Board Chair discuss consolidated input with the HRCC; HRCC members discuss consolidated assessment with the President; and HRCC formulates recommendations to the Board	HRCC Chair Board Chair HRCC Members	February
HRCC Chair and Board Chair discuss the President's evaluation with full Board	HRCC Chair and the Board Chair	February
Review of finalized report with the President	HRCC Chair and the Board Chair	February

**APPENDIX J – BOARD, CHAIR AND COMMITTEE EVALUATION
QUESTIONNAIRE**

A. Introduction

All Directors are asked to complete the attached questionnaire as part of an assessment of overall Board and committee performance.

B. Overall Objective

The overall objective of the Board evaluation is to improve the effectiveness and efficiency of the Board of YNG.

C. Guidelines

- i) The evaluation is built around the Terms of Reference for the Board.
- ii) The evaluation is confidential and responses are not attributable.
- iii) The evaluation looks at how the Board and Committees are operating as a whole.
- iv) There are two major sections to the evaluation:
 - (a) The Board evaluation (including an evaluation of the Board Chair);
and
 - (b) Committee evaluation
- i) The Corporate Governance Committee is responsible for establishing and implementing the evaluation process.

The evaluation will be carried out every two years.
- iii) The results will be consolidated by an independent resource. Confidentiality is important to ensure frank and open responses to the questions.
- iv) Each director is asked to submit their questionnaire identifying himself/herself on the evaluation form. This allows for the person consolidating the results to clarify any points.
- v) Once the results are consolidated, a report will be made to the Corporate Governance Committee. The report shall include an executive summary, recommendations and a tabulation of the results on a non attributed basis.
- vi) The Corporate Governance Committee will then report to the full Board regarding the evaluation results and its recommendations.

PART ONE – THE BOARD

Strongly Disagree Strongly Agree Unsure/
 Don't Know

Name: _____

I. Board of Directors Organization

A. The Board is effectively organized as to:

- | | | | | | | | | |
|------|---|---|---|---|---|---|---|----|
| i) | The appropriate number of Directors. | 1 | 2 | 3 | 4 | 5 | 6 | DK |
| ii) | The right balance of skills, experiences and backgrounds. | 1 | 2 | 3 | 4 | 5 | 6 | DK |
| iii) | The appropriate diversity. | 1 | 2 | 3 | 4 | 5 | 6 | DK |

B. The Board has appropriate input to the process of selecting potential Directors. 1 2 3 4 5 6 DK

C. Board meetings are organized properly in:

- | | | | | | | | | |
|------|------------------------|---|---|---|---|---|---|----|
| i) | number of meetings. | 1 | 2 | 3 | 4 | 5 | 6 | DK |
| ii) | timing of meetings. | 1 | 2 | 3 | 4 | 5 | 6 | DK |
| iii) | locations of meetings. | 1 | 2 | 3 | 4 | 5 | 6 | DK |

D. Time at Board meetings is used effectively. 1 2 3 4 5 6 DK

E.	Board members have the opportunity to provide input to the meeting agendas.	1	2	3	4	5	6	DK
----	---	---	---	---	---	---	---	----

F.	There are agenda items that should appear on a regular basis that are not currently being included.	1	2	3	4	5	6	DK
----	---	---	---	---	---	---	---	----

G.	Directors receive adequate material in advance of Board meeting.	1	2	3	4	5	6	DK
----	--	---	---	---	---	---	---	----

H.	The Terms of Reference are clear and appropriate for the:	1	2	3	4	5	6	DK
----	---	---	---	---	---	---	---	----

i)	Board.	1	2	3	4	5	6	DK
----	--------	---	---	---	---	---	---	----

ii)	Directors.	1	2	3	4	5	6	DK
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I.	Both the amount and method of Director compensation is satisfactory.	1	2	3	4	5	6	DK
----	--	---	---	---	---	---	---	----

J.	The Board regularly assesses the effectiveness of the:	1	2	3	4	5	6	DK
----	--	---	---	---	---	---	---	----

i)	Board.	1	2	3	4	5	6	DK
----	--------	---	---	---	---	---	---	----

ii)	Board Chair.	1	2	3	4	5	6	DK
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iii)	Committees.	1	2	3	4	5	6	DK
------	-------------	---	---	---	---	---	---	----

iv)	Provides directors with a forum for self-evaluation.	1	2	3	4	5	6	DK
-----	--	---	---	---	---	---	---	----

II. Board Chair

A. The terms of reference for the Board Chair are clear and appropriate. 1 2 3 4 5 6 DK

B. What suggestions or comments do you have regarding the performance of the Board Chair?

III. Management

A. The President's Terms of Reference are clear and appropriate. 1 2 3 4 5 6 DK

B. The Board reviews the President's performance annually against Board approved objectives. 1 2 3 4 5 6 DK

C. The President's evaluation process is satisfactory. 1 2 3 4 5 6 DK

D. The process for reviewing and establishing management compensation levels is satisfactory. 1 2 3 4 5 6 DK

E. The Board ensures succession planning programs are in place, including programs to train and develop management. 1 2 3 4 5 6 DK

F. The Management succession planning process is satisfactory. 1 2 3 4 5 6 DK

G. The Board has sufficient exposure to and knowledge of senior high potential employees in the organization. 1 2 3 4 5 6 DK

IV. Strategy Determination

A. Management adequately develops strategic, operating and capital plans for the Board's consideration and review. 1 2 3 4 5 6 DK

B. I am satisfied with the strategic planning process. 1 2 3 4 5 6 DK

C. The strategic, operating and capital plans are achievable. 1 2 3 4 5 6 DK

D. YNG achieves its objectives through its strategic, operating and capital plans. 1 2 3 4 5 6 DK

E. The Board approves material divestitures and acquisitions. 1 2 3 4 5 6 DK

V. Monitoring and Acting

A. The Board monitors YNG's progress towards its goals, and revises and alters its direction, through management, in light of changing circumstances. 1 2 3 4 5 6 DK

B. The Board takes reasonable steps to ensure the implementation and integrity of YNG's internal control and management information systems. 1 2 3 4 5 6 DK

C. The Board ensures management identifies the principle risks to YNG's business and ensures management implements appropriate systems to manage these risks. 1 2 3 4 5 6 DK

D. The Board is provided with current information on problem areas. 1 2 3 4 5 6 DK

E.	The Board takes appropriate action when circumstances so warrant it.	1	2	3	4	5	6	DK
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F.	The Board has, or it is provided with, the proper tools and knowledge to fulfill its responsibilities.	1	2	3	4	5	6	DK
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G.	The Board monitors operational and financial results.	1	2	3	4	5	6	DK
----	---	---	---	---	---	---	---	----

H.	The Board approves annual financial statements, and approves release thereof by management.	1	2	3	4	5	6	DK
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I.	The Board approves financings, issue of debt securities, listing of securities, issue of commercial paper, and related prospectuses and trust indentures.	1	2	3	4	5	6	DK
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J.	The Board approves commitments that may have a material impact on YNG.	1	2	3	4	5	6	DK
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VI. Policies and Procedures

A.	The Board ensures that YNG operates at all times within applicable laws and regulations, and to the	1	2	3	4	5	6	DK
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highest ethical, legal and moral standards.

- B. The Board reviews significant new corporate policies or material amendments to existing policies. 1 2 3 4 5 6 DK
-
-

VII. Reporting to Stakeholders

- A. The Board is satisfied the financial performance of YNG is adequately reported to security holders and regulators on a timely and regular basis. 1 2 3 4 5 6 DK
-
-

- B. The financial results are reported fairly and in accordance with generally accepted accounting standards. 1 2 3 4 5 6 DK
-
-

- C. Developments that have a significant and material impact on the value of YNG's assets are reported in a timely fashion. 1 2 3 4 5 6 DK
-
-

- D. The annual reporting process to shareholders and others is satisfactory. 1 2 3 4 5 6 DK
-
-

VIII. Legal Requirements

- A. Management annually confirms that all legal requirements have been met, and documents and 1 2 3 4 5 6 DK

records have been properly prepared, approved and maintained.

IX. Board Summary

A. On a scale of 1 to 10 (1 being unacceptable, 10 being excellent), using your own personal criteria, please rate Board performance for the past year.

B. Are there ways of enhancing Board performance?

PART TWO – COMMITTEE EVALUATION

Name: _____

Strongly Disagree Strongly Agree Unsure/
Don't Know

I. General

A. The Board has the appropriate Committees 1 2 3 4 5 6 DK

B. The process for an annual review of the Committee Terms of Reference is satisfactory. 1 2 3 4 5 6 DK

C. Do you have any general comments about any of the current committees of the Board on which you do not sit? 1 2 3 4 5 6 DK

II. Specific Committees

Name the Board Committee(s) on which you are a member: 1 2 3 4 5 6 DK

Committee Name: _____

A. The Committee Terms of Reference continue to be appropriate. 1 2 3 4 5 6 DK

B. Committee meetings are organized properly in number, timing and location. 1 2 3 4 5 6 DK

C. The Committee is effective in carrying out its mandate. 1 2 3 4 5 6 DK

D. The Committee members receive adequate material in advance of Committee meetings, in sufficient time and detail to permit members to effectively consider issues to be dealt with. 1 2 3 4 5 6 DK

E. The Committee is confronting important, meaningful issues. 1 2 3 4 5 6 DK

F. The Committee is able to make collective judgments about important matters. 1 2 3 4 5 6 DK

G. The Committee has laid out a full year's agenda. 1 2 3 4 5 6 DK

H. The Committee's composition is appropriate. 1 2 3 4 5 6 DK

I. The Committee allocates the right amount of time for its work. 1 2 3 4 5 6 DK

J. I am able to make a significant contribution to this Committee. 1 2 3 4 5 6 DK

K. What suggestions do you have about how to improve the effectiveness of the Committee?

APPENDIX K – TERMS OF REFERENCE FOR THE PRESIDENT

I. Introduction

Article 2.1.3 of this Corporate Governance Policy Manual sets out the nature of the role of the President. Given the broad statement of the powers of the office of the President, the Corporate Governance Committee, in conjunction with the Chair, has more specifically delineated the responsibilities of the President.

II. President Responsibilities

A. Introduction

The Board of Directors has ultimate accountability for the management of YNG. Critical to meeting this accountability is the relationship between the Board of Directors, management and other stakeholders. The President is responsible for the customary duties of the president and chief executive officer of a corporation similar in size and operation to that of YNG and has ongoing responsibility for the accountability of management to the board of directors. In addition, the President, in concert with the Chair, is responsible for public interaction with respect to the affairs of YNG.

The President shall:

- (a) lead and manage YNG;
- (b) report to the board of directors;
- (c) keep the board of directors current on major developments, ensuring the board of directors has sufficient information to permit it to fully discuss potential issues and to make decisions;
- (d) recommend to the board of directors strategic directions for YNG's business and, when approved, successfully implement the corresponding strategic, business and operational plans;
- (e) direct and monitor the activities of YNG in a manner that strives towards the achievement of targets and ensures the assets of YNG are safeguarded and optimized in the best interests of YNG;
- (f) develop and implement operational policies to guide YNG within applicable laws, and the framework of the strategic directions adopted by the board of directors;
- (g) develop and recommend to the board of directors the overall corporate organization structure and staffing;
- (h) create, maintain and review with the board of directors an annual plan for the development and succession of management;
- (i) oversee the interfaces between YNG and the public;
- (j) meet regularly and as required with the board of directors to *review* material *issues* and to ensure that the board of directors is provided in a timely manner with all the information it requires to fulfill *its* statutory and other obligations; and provide the board of directors with exposure to the key management of YNG

**APPENDIX L - ESTABLISHING DIRECTOR CRITERIA FOR
INDEPENDENT DIRECTORS**

The process outlined below illustrates the most important steps the Corporate Governance Committee follows in establishing the new director criteria for the appointment of new Directors.

STEP ONE	What are YNG's strategic objectives and what are their implications for the composition of the board of directors?
CORPORATE STRATEGIC OBJECTIVES	
STEP TWO	Review the background, experience and skills of each director.
CURRENT BOARD OF DIRECTORS SUMMARY	What observations can be made about the composition of the current board of directors?
STEP THREE	Review information developed in steps one and two and consolidate in a board of directors composition target document.
BOARD OF DIRECTORS COMPOSITION TARGET	
STEP FOUR	Develop criteria for new directors which will complement the current board of directors and assist in achieving the board composition targets.
NEW DIRECTOR CRITERIA	

**APPENDIX M - CODE OF CONDUCT AND CONFLICT OF INTEREST
GUIDELINES FOR DIRECTORS AND OFFICERS**

The following, as amended from time to time, constitutes a Code of Conduct and Conflict of Interest Guidelines ("Code of Conduct") designed to govern the conduct of and the disclosure and avoidance of conflicts of interest for all Directors and Officers of YUKON-NEVADA GOLD CORP. (the "Corporation"). These procedures are intended to complement the requirements of the *Canada Corporations Act* governing the conduct of Directors and Officers of the Corporation (see Section 98 of the *Canada Corporations Act* set out in Schedule "A").

PART 1 CODE OF CONDUCT

- 1.1 Directors and Officers must at all times act honestly, in good faith and in the best interests of the Corporation and otherwise *in* accordance with applicable law, including the *Canada Corporations Act*, and with the letters patent and by-laws of the Corporation.**
- 1.2 Directors should at all times participate actively in the affairs of the Board. Such participation includes attending meetings of both the Board of Directors and Committees of the Board of Directors, reviewing information and documentation provided and making such inquiries of management of the Corporation as the Director or Officer deems necessary in the discharge of his duties.**
- 1.3 Affairs of the Corporation which have not been made public are considered to be confidential. Directors shall maintain the confidentiality of the records, information and affairs of the Corporation unless and until such disclosure is required by law or is determined by the Board to be in the best interests of the Corporation.**
- 1.4 Directors and Officers must strive not to place themselves in a position, either perceived or real, where their duty to the Corporation conflicts with their own personal interest or with their duty to others.**

PART 1 DISCLOSURE OF INTERESTS

- 1.1 Every Director and Officer of the Corporation who holds office as a director, officer or elected official of or who is an associate or employee of any other person, any of which office, association or employment creates a duty or interest between the Director or Officer and that person that might be in conflict with his duty or interest as a Director or Officer of the Corporation, shall declare in writing to the Corporation the nature and extent of the office, association or employment.**
- 1.2 The declaration to be made by a Director or Officer referred to in Section 2.1 shall be made at the first meeting of the Directors held:**

- A. after he becomes a Director or Officer; or
- B. if he is already a Director or Officer, after he commenced to hold the office, or became associated with or employed by the other Person as referred to in Section 2.1.

1.3 The declaration by a Director or Officer under Section 2.1 shall be recorded in, or annexed to, the minutes of the meeting of the Directors at which such declaration is made.

PART 1 DISCLOSURE STATEMENTS

1.1 Every Director and Officer of the Corporation shall file a disclosure statement prior to the first meeting of the Board of Directors following the date upon which he becomes a Director or Officer and thereafter annually on January 31 in each year.

1.2 The disclosure statement referred to in Section 3.1 shall set out:

- A. all of the information required to be declared under Section 2.1;
- B. the name of every person:
 - i. in which the Director or Officer, or any associate or any trustee or nominee on behalf of the Director, Officer or associate, directly or indirectly holds 10% percent or more of an ownership interest, or similar ownership, and a statement of the type of business carried on by that person; or
 - ii. from which the Director, Officer or any associate receives financial remuneration of any amount other than as a result of such ownership interest,if such person is a supplier of goods or services to the Corporation, a user or client of the Corporation's services;
- C. to the extent known by the Director or Officer, the name of every subsidiary of a person referred to in Section 3.2(b), and a statement of the type of business ordinarily carried on by the subsidiary;
- D. to the extent known by the Director or Officer, the name of every person that is affiliated with a person referred to in Section 3.2(b) and with every subsidiary referred to in Section 3.2(d) together with a statement of the type of business ordinarily carried on by the affiliate;
- E. the name of every person of which the Director or Officer is a director, officer, elected official, associate or employee; and
- F. a statement that the Director or Officer has made complete and accurate disclosure in his disclosure statement and that he has complied with this Code of Conduct over the relevant reporting period (or giving particulars of any non-compliance).

1.3 If at any time during the year following the filing of his disclosure statement

under Section 3.1 there occurs any material change to the information given by a Director or Officer in such last disclosure statement, either by way of addition or deletion, that Director or Officer shall forthwith file a supplementary disclosure statement describing such change.

- 1.4 The disclosure statement and any supplementary thereto shall be filed in writing by each Director or Officer with the Secretary of the Corporation who shall promptly table the same before a meeting of the Board of Directors to be recorded in, or annexed to, the minutes of that meeting. The Secretary may thereafter call the attention of the Board of Directors to the contents of any particular disclosure statement or supplementary, in whole or in part, if he feels the circumstances warrant.**
- 1.5 The obligation to file disclosure statements under this Part is in addition to, and not in substitution for, the disclosure requirements of Parts 2, 4 and 5 of the Code of Conduct.**

PART 1 DISCLOSURE OF INTEREST BY DIRECTORS AND OFFICERS AND PARTICIPATION BY DIRECTORS IN DECISIONS CONCERNING MATERIAL CONTRACTS COMING BEFORE THE BOARD OF DIRECTORS

NOTE: Section 98 of the Canada Corporations Act ("CCA") currently requires that a director make disclosure of any direct or indirect interest in a contract or proposed contract with the Corporation. This provision of the CCA applies to YUKON-NEVADA GOLD CORP. directors and, by policy, YUKON-NEVADA GOLD CORP.'s officers. In the event that section 98 of the CCA is repealed, the following provision shall apply.

1.1 Every Director or Officer of the Corporation who;

- A. is a party to a material contract with the Corporation; or
- B. is a director, officer, elected official, associate, or employee of any person who is a party to a material contract with the Corporation,

shall disclose the nature and extent of his interest in writing at a meeting of the Board of Directors and shall not participate in any discussion or decision of the Board of Directors regarding the material contract.

1.2 Without restricting the generality of Section 4.1, a Director shall be deemed to be interested in a material contract where he knows or, in the circumstances, should know, that any associate of his has an interest in the material contract.

1.3 The disclosure required where an interest exists pursuant to Section 4.1 shall be made:

- A. at the meeting of the Board of Directors at which the material contract is first considered;
- B. if the Director or Officer was not, at the time of the meeting referred to in Section 4.3(a), interested in the material contract or was not present at the meeting where the contract was first considered, at the first meeting after he becomes interested or

aware of the consideration of the contract; or

C. at the first meeting after *the* relevant facts giving rise to an interest pursuant to Section 4.1 have come to his knowledge.

- 1.4 Where an interest exists pursuant to Section 4.1(a), a general notice in writing given by a Director or Officer of the Board of Directors describing the nature and extent of his interest, is a sufficient disclosure of interest.**
- 1.5 A Director or Officer who is interested pursuant to Section 4.1(a), shall be prohibited from participating with respect to any consideration by the Board of Directors of the particular material contract.**
- 1.6 The disclosure required by Section 4.1 on the part of any Director or Officer shall be recorded in, or annexed to, the minutes of the meeting of the Board of Directors at which such disclosure was made.**

PART 1 DISCLOSURE OF INTEREST IN MATERIAL CONTRACTS NOT BROUGHT BEFORE THE BOARD OF DIRECTORS

- 1.1 Where the Corporation proposes to enter into a material contract in which a Director or Officer has an interest but which is not, to the knowledge of the Director or Officer, to be brought before the Board of Directors for its approval, the Director or Officer shall immediately disclose the nature and extent of his interest in the material contract to the Secretary of the Corporation (who shall convey the nature of that interest to the Officer of the Corporation responsible for the material contract) and thereafter to the Board of Directors at *the next* ensuing meeting of the Board of Directors and that Director or Officer shall not participate in any decision of the Board of Directors, if any, in respect of such material contract.**
- 1.2 Where the Corporation has entered into a material contract in which a Director or Officer has an interest, either directly or indirectly, without the Board of Directors having knowledge of that material contract, that Director or Officer shall disclose the nature and extent of his interest in the material contract at the first meeting of the Board of Directors after *the* relevant facts have come to his knowledge.**
- 1.3 In the case of similar material contracts that are, or may be expected to be, or are of a recurring nature and which are made, or will be made, in the ordinary course of the operations of the Corporation, a Director or Officer who is interested therein shall be deemed to have complied with the disclosure requirements of Sections 5.1 and 5.2 if annually, on January 31 in each year, he makes a single full disclosure of the nature and extent of his interest in such material contracts at a meeting of the Board of Directors.**

PART 1 PROFESSIONAL ADVISORS

- 1.1 Any Director or Officer individually, or the Board of Directors by resolution, may, but are not obliged to, at any time ask the Secretary to appoint counsel for an opinion as to the application of this Code of Conduct to any particular situation.**

- 1.2 The Corporation's auditors may be requested to perform such duties in connection with this Code of Conduct as the Board of Directors may determine from time to time.**

PART 1 ENSURING COMPLIANCE

- 1.1 In the event of an allegation of non-compliance with this Code of Conduct, in addition to any measure that may be taken under Part 6, the Board of Directors may investigate into and determine the validity of such allegation and may take such steps or measures as the Board of Directors may, in its sole discretion, determine appropriate, including declaring that a Director being in breach of this Code of Conduct no longer has the necessary qualifications to serve as a Director or Officer of the Corporation and his office as a Director or Officer is thereby vacated, provided that, prior to making any determination of the validity of such allegation or taking any such steps or measures, the Board of Directors shall provide the Director or Officer alleged to be in non-compliance with this Code of Conduct with notice of the nature of such allegation and an adequate opportunity to make representations regarding such allegation or any step or measure the Board of Directors might take if it determines that the allegation is valid.**

PART 1 INTERPRETATION

- 1.1 For the purposes of *this Code of Conduct*:**

- A. "affiliate" shall have the meaning attributed to it by the *Canada Business Corporations Act*;
- B. "associate" when used to indicate a relationship with any person, means:
- i. a body corporate of which that person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than one percent (1%) of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase such shares or such convertible securities;
 - ii. a partner of that person acting on behalf of the partnership of which they are partners;
 - iii. a trust or estate in which that person has a substantial beneficial interest or in respect of which he serves as a trustee or in similar capacity;
 - iv. a spouse or child of that person; and
 - v. a relative of that person or of his spouse if that relative has the same residence as that person;

- C. "decision" includes any determination, grant, payment, award, license, permit, contract, franchise, concession and any decision in connection with an offer, proposal or request with respect to any of the foregoing;
- D. "Director" or "Directors" means a person or the persons appointed as a Director, or as the Directors, of the Corporation;
- E. "interest" includes:
- i. a personal or business benefit or advantage;
 - ii. an increase or decrease in the value of real or personal property;
 - iii. an advantage, gain, profit, reward or perquisite of any kind, whether pecuniary or otherwise, and whether direct or indirect; or
 - iv. a duty owed as a director, officer, elected official, associate or employee of a person contracting or transacting with, proposing to contract or transact with, or engage in a dispute with, the Corporation;
- but an interest does not arise out of a material contract:
- v. where the material contract relates to a loan to the Corporation, solely because the Director or Officer or a specified corporation or specified firm in which he has an interest has guaranteed or joined in guaranteeing *the repayment of* the loan or any part of the loan;
 - vi. where the material contract has been or will be made with or for the benefit of an affiliated company of the Corporation; solely because a Director is a director or officer of that company; or
 - vii. where the material contract relates to the remuneration of a Director or Officer in his capacity as a Director or Officer;
- provided that the Director or Officer discloses any matter known to him as set out in Sections 4 or 5 and does not participate thereon;
- F. "material contract" includes any existing or proposed contract, transaction, arrangement, or resolution and any discussion or decision concerning such a contract, transaction, arrangement or resolution, or any dispute between the Corporation and another person that:
- i. in the case of a supplier to or a client or user of the Corporation or its services, any contract, transaction, arrangement or resolution or discussion or decision regarding same or dispute between supplier, client or user and the Corporation that involves an amount in any one financial year of the Corporation in excess of one million dollars (\$100,000.00); and "person" includes any individual, partnership, corporation, profession, calling, trade, manufacturer, business enterprise or undertaking of any kind, and a venture or concern in the nature of trade, whether incorporated or not;

G. "participate" with respect to a discussion or decision of the Board of Directors means to participate personally as a Director or Officer, whether through approval, disapproval, decision, recommendation, the giving of advice, voting, or otherwise but does not include the discussion by an interested Director or Officer of a proposed contract, transaction or resolution at a meeting of the Board of Directors where a majority of the remaining directors have approved the discussion of that subject by the interested Director or Officer; and

H. "subsidiary" shall have the meaning attributed to it by the *Canada Business Corporations Act*.

1.2 Reference herein to the masculine gender shall include the feminine.

1.3 Reference herein to Sections and Parts are references to the Sections and Parts of this Code of Conduct unless clearly identified as being otherwise.

1.4 SCHEDULE "A"

Sect. 98. Director interested in a contract with company.

- (1) Subject to this section, it is the duty of a director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company to declare his interest at a meeting of directors of the company.
- (2) *At what meeting declaration to made.* -- In the case of a proposed contract the declaration required by this section to be made by a director shall be made at the meeting of directors at which the question of entering into the contract is first taken into consideration, or, if the director is not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he becomes so interested, and, in a case where the director becomes interested in a contract after it is made, the declaration shall be made at the first meeting of directors held after the director becomes so interested.
- (3) *What is deemed sufficient declaration.* -- For the purposes of this section, a general notice given to the directors of a company by a director to the effect that he is a shareholder of or otherwise interested in any other company or is a member of a specified firm and is to be regarded as interested in any contract made with such other company or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made.
- (4) *Director not to vote if interested.* -- No director shall vote in respect of any contract or proposed contract in which he is so interested as aforesaid and if he does so vote his vote shall not be counted, but this prohibition does not apply
 - a. in the case of any contract by or on behalf of the company to give to the director or any of them security for advances or by way of indemnity,
 - b. in the case of a private company, where there is no quorum of directors in office who are not so interested, or
 - c. in the case of any contract between the company and any other company where the interest of the director in the last-mentioned company consists solely in his being a director or officer of such last-mentioned company, and the holder of not more than the number of shares in such last-mentioned company requisite to qualify him as a director.
- (5) *When director not accountable.* -- A director who has made a declaration of his interest in a contract or proposed contract in compliance with this section and has not voted in respect of such contract contrary to the prohibition contained in subsection (4), if such prohibition applies, is not accountable to the company or any of its shareholders or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established for any profit realized by such contract.

- (6) *"Contract" and "meeting of directors"*. -- For the purposes of this section "contract" includes "arrangement" and "meeting of directors" includes a meeting of an executive committee elected in accordance with section 96.

- (7) *No liability when contract confirmed*. -- Nothing in this section imposes any liability upon a director in respect of the profit realized by any contract that has been confirmed by the vote of shareholders of the company at a special general meeting called for that purpose.

FORM "A"
(Section 2.1, 3.1 and 3.2 of Code of Conduct)

DISCLOSURE STATEMENT

TO: The Nominators, the Chairperson, the Secretary and Directors of the Corporation

1 Name of Director or Officer: _____

2. This Statement discloses information as of: _____

3. I hold the following offices (appointed or elected), and a direct or indirect conflict with my duty as a Director or Officer of the Corporation and the following offices may arise because, directly or indirectly, a duty or interest might be created in conflict with my duty or interest as a Director or Officer of the Corporation:

4. The following is a list of every business enterprise which is a supplier of goods or services to the Corporation, a user or client of the Corporation's *services*, or a bargaining agent representing employees of the Corporation, which I, or any trustee or nominee on my behalf, directly or indirectly hold 10% or more of an ownership interest:

NAME OF COMPANY	TYPE OF BUSINESS ORDINARILY CARRIED ON
_____	_____
_____	_____
_____	_____

5. The following is a list of every bargaining agent representing employees of the Corporation of which I am a Director or Officer, or which any associate of mine is an officer, trustee, member or employee:

6. The following is a list of every business enterprise which is a supplier of goods or services to the Corporation, a user or client of the Corporation's *services*, or a bargaining agent representing employees of the Corporation, in respect of which I receive financial remuneration for services performed by me:

NAME OF COMPANY	TYPE OF BUSINESS ORDINARILY CARRIED ON
_____	_____
_____	_____
_____	_____

7. To the best of my knowledge, the following is a list of each subsidiary* or affiliate** of a company listed in paragraph 3 or 4 of this Statement

COMPANY LISTED IN PARAGRAPH 3 OR 4	NAME OF SUBSIDIARY OR AFFILIATE	TYPE OF BUSINESS ORDINARILY CARRIED ON BY SUBSIDIARY OR AFFILIATE
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. In addition to the offices listed in paragraph 3, the following is a list of every company of which I am a director or officer:

COMPANY	POSITION
_____	_____
_____	_____
_____	_____

I HEREBY DECLARE that the foregoing constitutes complete and accurate disclosure by me pursuant to 3.2 of the "Code of Conduct and Conflict of Interest Guidelines of the Directors and Officers of YUKON-NEVADA GOLD CORP." as adopted by the Directors.

DATED this _____ day of _____, _____

Print Name

Signature

NOTES

1. Paragraph 3 calls for a forward-looking disclosure under Part 2 of the Code of Conduct. If you presently hold any office or possess a property which you reasonably feel might place you in a position of conflict between your duties as a Director or Officer of the Corporation and your duties to that other office or your interest in that property, then you must disclose particulars to the Directors pursuant to Part 2 of the Code of Conduct. If at any time in the future any other potential conflict arises by reason of you or your associates acquiring a new office or further property, you must declare the fact at the first meeting of the Board of Directors after you commence to hold the office or possess the property, and you should file a Form "B", "Supplementary Annual Disclosure Statement".
2. If any actual conflict arises, you must disclose it separately, in detail, pursuant to Parts 4 and 5 of the Guidelines (see Form "C" "Disclosure of Conflict of Interest").
3. Any material change over the next twelve months to the information disclosed herein is to be recorded in a Form "B" and filed with the Secretary of the Corporation.
4. The filing of this Disclosure Statement does not replace the obligation of a Director to make full and prompt disclosure under Parts 2, 3, 4 and 5 of the Code of Conduct.
5. You should ensure that the disclosure in this Statement is recorded in the minutes of the meeting of the Board of Directors **at** which it was tabled by the Secretary, either by way of a comprehensive summary inserted in the minutes, or by way of a descriptive minute with a copy of this disclosure attached to the minutes.
6. Any Director may ask the Secretary to appoint counsel for assistance in completing this form, or for an opinion as to the application of any aspect of the Code of Conduct to the Director's particular circumstances.
7. For the purpose of the Code of Conduct, a corporation is a subsidiary of another corporation where:
 - a. it is controlled by:
 - (i) that other corporation;
 - (ii) that other corporation and one or more corporations, each of which is controlled by that other corporation; or
 - (iii) two or more corporations, each of which is controlled by that other corporation; or
 - b. it is a subsidiary of that other corporation.
8. For the purposes of the Code of Conduct, one corporation is affiliated with another corporation where one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same person.

9. For the purposes of the foregoing, a corporation is controlled by a person where:
 - a. shares of the corporation carrying more than fifty percent of the votes for the election of the Directors are held, other than by way of security only, by or for the benefit of that person; and
 - b. the votes carried by the shares mentioned in paragraph (a) are sufficient, if exercised, to elect a majority of the directors of the corporation.

10. These notes are for assistance only and shall not affect the construction of the wording of the actual provisions of the Code of Conduct involved, nor other Sections of the Code of Conduct that may be applicable.

FORM "B"
(Section 3.3 of Code of Conduct)

**SUPPLEMENTARY ANNUAL DISCLOSURE STATEMENT FOR A DIRECTOR OR
OFFICER OF YUKON-NEVADA GOLD CORP.**

TO: The President, the Secretary and the Directors of YUKON-NEVADA GOLD CORP.

1. This Supplementary Disclosure Statement is filed by _____
and concerns my Annual Disclosure Statement containing information as of
_____ (the "Statement").

EITHER: complete paragraph 2(a) OR delete paragraph 2(a)

2.(a) The following material change(s) has/have occurred to the information disclosed
in the Statement (or to any Supplementary Annual Disclosure Statement previously filed
by me in connection with the Statement).

Particulars of change(s):

2.(b) There has been no material change to the information disclosed in the Statement
(or my Supplementary Annual Disclosure Statement) previously filed by me.

DATED this _____ day of _____, _____

Print Name

Signature

FORM "C"

(Sections 4.1, 4.4, 4.7, 5.1 and 5.2 of the Code of Conduct)

**DISCLOSURE OF CONFLICT OF INTEREST BY A DIRECTOR OF
YUKON-NEVADA GOLD CORP.**

TO: The Directors of YUKON-NEVADA GOLD CORP. (the "Corporation")

I HEREBY GIVE YOU NOTICE, and request that it be recorded in the minutes of the meeting of the Board of Directors held _____, _____, that I am, directly or indirectly, interested in that certain contract, transaction, or resolution of the Board of Directors involving the Corporation and (name of other party) _____, and the nature and extent of my interest is:

DATED this _____ day of _____, _____

Print Name

Signature

NOTES

1. This Statement is for use in circumstances of actual conflict of interest, whether direct or indirect, involving the Director or his associate in matters both brought before, and not brought before, the Board of Directors. This disclosure should be made whether or not a form "A" describing the possible conflict was previously tabled.
2. You should ensure that the disclosure in this Statement is recorded in the minutes of the meeting of the Board of Directors at which it was tabled, either by way of a comprehensive summary inserted in the minutes, or by way of a descriptive minute with a copy of this Disclosure Statement annexed to the minutes.
3. If the proposed contract or transaction is brought before a meeting of the Board of Directors at which you are present, note that the disclosure is to be tabled before the vote and that you may not vote on the issue, nor discuss the issue prior to the vote without the approval of the Board of Directors (other than to advise the Board of Directors of your interest).
4. If you are present at a meeting of the Board of Directors at which a decision is made on which you may not vote because of your interest, you should ensure that the minutes of that meeting record the fact that you abstained from voting on that decision.
5. These notes are for assistance only and shall not affect the construction of the wording of the actual provisions of the Code of Conduct involved, no other Sections of the Code of Conduct that may be applicable.

FORM "D"
(Section 5.3 of the Code of Conduct)

**DISCLOSURE OF CONFLICT OF INTEREST BY A DIRECTOR OF
YUKON-NEVADA GOLD CORP. IN RECURRING TRANSACTIONS NOT
BROUGHT BEFORE THE BOARD**

TO: The Directors of YUKON-NEVADA GOLD CORP. (the "Corporation")

1. This statement is made as of _____, _____
2. I believe that contracts or transactions will be entered into, on a recurring basis in the ordinary course of the operations of the Corporation over the next year, between the Corporation and _____(name of other party), and that such contracts or transactions will not, individually or collectively, be brought before the Board of Directors for their approval. A general description of those contracts or transactions is:

3. I HEREBY GIVE YOU NOTICE, and request that it be recorded in the minutes of the meeting of the Board of Directors held _____, _____, that I am, directly or indirectly, interested in every such contract or transaction involving _____(name of other party).

4. The nature and extent of my interest in such contracts or transactions is:

DATED this _____ day of _____, _____

Print Name

Signature

NOTES

1. This Form deals with contracts and transactions not coming before the Board of Directors for approval. Ordinarily, Section 3.1 and 3.2 of the Code of Conduct would require disclosure before the Board of Directors on a transaction-by-transaction basis. However, some of these contracts and transactions are so obvious, predictable and repetitive in nature that only a single disclosure is required of the interested Director, and this Form (Section 3.3 of the Code of Conduct) is designed to accomplish that purpose.
2. A Director should take notice of the fact that disclosure using this Form only applies to certain recurring contracts not coming before the Board of Directors. Other isolated, non-recurring contracts and transactions not coming before the Board of Directors are still subject to Sections 3.1 and 3.2 of the Code of Conduct.
3. You should ensure that the disclosure in this Form is recorded in the minutes of the meeting of the Board of Directors at which it was tabled, either by way of a comprehensive summary inserted in the minutes, or by way of a descriptive minute with a copy of this Form annexed to the minutes.
4. These notes are for assistance only and shall not affect the construction of the wording of the actual Code of Conduct involved, nor other Sections of the Code of Conduct that may be applicable.



Frequently Asked
Questions

Yukon-Nevada Gold Corp. Confidential and Anonymous Financial Concern Hotline

The Ontario Securities Commission and The Audit Committees Rule of the Canadian Securities Administrators Guidelines (Multilateral Instrument 52-110) require that **Yukon-Nevada Gold Corp.** provides a facility for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters.

Please feel free to contribute any comments through this interface regarding such accounting matters. Your message is encrypted and will be delivered directly to the Audit Committee.

Understanding and acting upon any issues that exist regarding financial, accounting and/or audit matters is an essential component to **Yukon-Nevada Gold Corp.**'s ability to take action and ensure the highest levels of financial fidelity.

Your message may be left in one of two methods:

1. Secure Web Form

[Click here](#) to access an Internet-based message interface that will deliver a message to the Audit Committee.

2. Email

[Click here](#) to send a message to the Audit Committee.

When you send a message using either of these methods, you will receive back a 15-digit code that can be used to access the status of your message. The Audit Committee may also use this to ask you, with complete confidentiality, for additional information regarding this issue.

To anonymously follow up on your message, please [click here](#).

Thank you. Integrity is everyone's responsibility at **Yukon-Nevada Gold Corp.**.