

MONTANA GOLD MINING COMPANY INC.

COMPENSATION COMMITTEE CHARTER

1 Purpose

The role of the Compensation Committee is to:

- develop compensation structures for the Board and senior management including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards,
- develop and oversee pension and benefit plans and share ownership guidelines,

2 Membership

- 2.1 Members of the Compensation Committee shall be appointed by the Board, and shall be made up of at least 3 members of the Board.
- 2.2 The appointment of members of the Compensation Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Compensation Committee is not so made, the directors who are then serving as members of the Compensation Committee shall continue as members until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Compensation Committee between annual elections of directors.
- 2.3 Any member of the Compensation Committee may be removed from the Compensation Committee by a resolution of the Board.
- 2.4 The Board shall appoint a chairman of the Compensation Committee who shall be an independent non-executive director. In the absence of a chairman and/or an appointed deputy, the remaining members present shall elect one of the members present to chair the meeting.
- 2.5 Each of the members of the Compensation Committee shall meet the Company's standards of Director Independence and shall have or develop an understanding of compensation principles and practices.

3 Meetings

- 3.1 The Compensation Committee shall appoint a Secretary to take minutes at formally called meetings.
- 3.2 The quorum for the transaction of business at any meeting of the Compensation Committee shall be a majority of the number of members of the Compensation Committee or such greater number as the Compensation Committee shall by resolution determine.
- 3.3 The powers of the Compensation Committee may be exercised at a meeting at which a quorum of the Compensation Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Compensation Committee.

- 3.4 Each member (including the chair) is entitled to one (but only one) vote in Committee proceedings.
- 3.5 The Compensation Committee shall meet at least one per year and more frequently as circumstances require at such times and places as the chairman of the Compensation Committee may determine. All members of the Compensation Committee should strive to be at all meetings.
- 3.6 The Compensation Committee shall meet separately, periodically, with senior management and may request any member of the Company's senior management or the Company's outside counsel to attend meetings of the Compensation Committee or with any members of, or advisors to, the Compensation Committee.
- 3.7 The Chief Executive Officer ("CEO") may be present at meetings of the Compensation Committee to determine executive compensation other than his or her own. The Compensation Committee will also meet *in camera* at each of its regularly scheduled meetings.
- 3.8 Meetings of the Compensation Committee shall be summoned by the Chairman of the Compensation Committee at his request or the request of its members.
- 3.9 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Compensation Committee, any other person required to attend and all other non-executive directors, no fewer than 2 working days prior to the date of the meeting. Supporting papers shall be sent to the members of the Compensation Committee and to other attendees as appropriate, at the same time.
- 3.10 The Secretary of the Compensation Committee shall minute the proceedings and resolutions of all Compensation Committee meetings, including the names of those present and in attendance.
- 3.11 Minutes of the Compensation Committee meetings shall be circulated promptly to all members of the Compensation Committee and, once agreed, to all members of the Board.
- 3.12 The Compensation Committee may delegate authority to individual members and subcommittees of its members where the Compensation Committee determines it is appropriate to do so.

4 Responsibilities

4.1 Compensation

The Compensation Committee shall:

- At least annually, review with the CEO the long term goals and objectives of the Company which are relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, determine and recommend to the independent directors for approval the CEO's compensation based on that evaluation and report to the Board thereon. In determining the CEO's compensation, the Compensation Committee shall consider the Company's performance, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years, with a view to maintaining a compensation program for the CEO at a fair and competitive level, consistent with the best interests of the Company.

- At least annually (and upon appointment), in consultation with the CEO, review and make recommendations to the Board with respect to the compensation of all members of senior management other than the CEO (including incentive-compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change in control arrangements or provisions, and any special or supplemental benefits), with a view to maintaining a compensation program for the senior management at a fair and competitive level, consistent with the best interests of the Company.
- Periodically review and make recommendations to the Board with respect to compensation of directors, the Chairman of the Board and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.
- Fix and determine (and, as it determines to be appropriate, delegate the authority to fix and determine) awards (and the vesting criteria thereof) to employees of stock or stock options pursuant to any of the Company's equity-based plans now or from time to time in effect or otherwise as permitted by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators and exercise such other power and authority as may be permitted or required under those plans.
- Regularly review the efficacy of incentive compensation programs and equity-based compensation programs for the Company's directors, officers and employees, including share ownership guidelines and, when necessary, make recommendations to the Board regarding the role and design thereof.
- In co-operation with the Company's senior management, oversee the human resources policies and programs which are of strategic significance to the Company and make recommendations thereon, as required, to the Board.
- Review all executive compensation disclosure prior to public disclosure of this information by the Company.

5 Reporting Responsibilities

- 5.1 The Compensation Committee shall report to the Board on a regular basis, and in any event:
- before the public disclosure by the Company of directors' and officers' remuneration in its management information circular, and
 - as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

6 Authority

The Compensation Committee is authorized to:

- 6.1 Retain (and authorize the payment by the Company of) and receive advice from special legal or other advisors as the Compensation Committee determines to be necessary to permit it to carry out its duties.

7 Annual Evaluation

Annually, the Compensation Committee shall, in a manner it determines to be appropriate:

- 7.1 Conduct a review and evaluation of the performance of the Compensation Committee and its members, including the compliance of the Compensation Committee with this Charter.
- 7.2 Review and assess the adequacy of this Charter and the position description for the chairman of the Compensation Committee and recommend to the Board any improvements to this Charter or the position description that the Compensation Committee determines to be appropriate, except for minor technical amendments to this Charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

