

# GTGOLD

## CORPORATE AUTHORIZATION POLICY

### 1. Overview

This policy (the "**Policy**") summarizes the approval levels and authorizations required to enter and complete various procedures and transactions that are carried on by GT Gold Corp. (the "**Company**"). The intent of these policies is to ensure that the following objectives are considered in all circumstances:

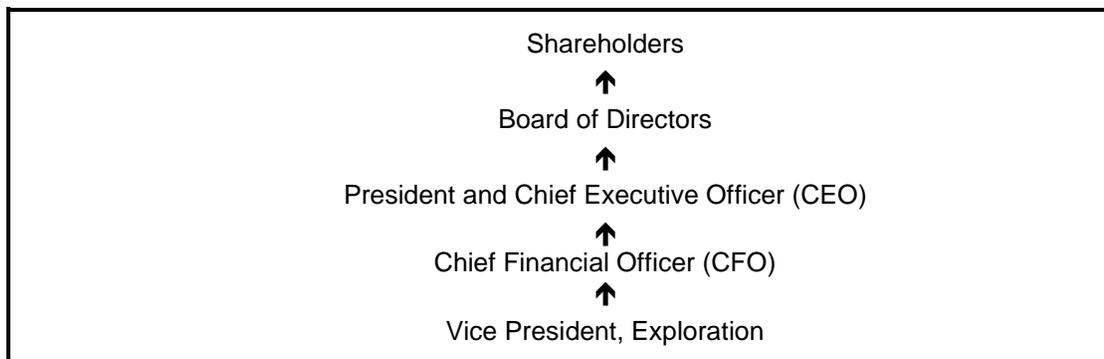
- i) only transactions which are in the best interest of the Company are entered into;
- ii) all implications of the transactions are properly reviewed, including the impact on the Company's taxes, cash, accounting, legal and other operating interests; and
- iii) operating personnel are aware of their authority levels and have sufficient authority to manage their affairs effectively.

While the Policy may not describe all possible procedures and transactions, it will provide the necessary guidance to determine the appropriate authorization level to effectively perform the procedure.

The terms used in this policy is that a person has the "authority" to "approve" a matter or a transaction which, unless otherwise indicated, is meant to include authority to enter into the transaction, to execute or sign any related legal or other documents, approve the payment of any amounts required to be paid or conversely to accept in final payment any payments, and generally the power to do any acts necessary or desirable in the opinion of such person to carry out the intent and purpose of the transaction.

### 2. Levels of Authorities

The various levels of authority within the Company are as follows:



The Board of Directors are charged with the mandate to manage or supervise the management of the business and the affairs of the Company.

The day to day management of the Company's operations is the responsibility of the CEO who determines the tasks to be delegated and the appropriate approval levels consistent with the levels of approval set out in the Policy.

It is essential that, whenever possible, final authorization be given through the personal signature of the person in whom final authority is vested under the Policy; when this is not possible final authorization can only be given through the personal signature of an official on a higher level in direct line of authority.

### **3. Authorization Guidelines**

Documents shall be signed by the person(s) authorized to approve the transaction pursuant to the Policy or by the person(s) otherwise authorized by the Company's general signing resolution and certificate of incumbency to execute such documents.

In addition, other officials may be authorized by specific resolution of the Board of Directors to sign certain documents and in some circumstances management may have the ability to delegate down.

Where the payment procedure for a particular transaction involves partial payments or payments on account, the limits of authority, in respect of monetary levels, shall be based on the total amount to be incurred for the complete transaction and not the amount of any partial or advance payments.

An original copy of any signed or executed legal document (excluding routine contracts or leases) shall be deposited with the Secretary.

No employee shall be permitted to authorize transactions resulting in payments to himself or payment of or reimbursement for his expenses incurred on behalf of the Company.

Where concurrence of other officials is required for any transaction listed in the Policy, it shall be the responsibility of the official authorized to give final authorization to the transaction to ensure that such concurrence has been obtained.

### **4. Reporting to the Board**

While this policy sets out specific authorities for management approval of certain transactions at a dollar threshold, it is the intent of management to report to the Board on a quarterly basis all material transactions regardless of the dollar amount involved.

Where the cumulative value of one transaction type exceeds \$● (but each individual transaction value was within management's authorized approval level) this will also be reported to the Board.

### **5. Schedule of Authorities**

#### **Section A: General Corporate, Finance, Treasury and Tax**

##### **I. Annual Business Plan**

<u>Action</u>	<u>Authority Required</u>
1. Approve Annual Business Plan	Board of Directors
2. Approve all material transactions not within the Business Plan	Board of Directors

**II. Treasury and Financing Activities**

<u>Action</u>	<u>Authority Required</u>
1. Authority to enter into new loan facilities or renew or terminate existing loan facilities	
i) within Business Plan	CEO
ii) not within Business Plan	Board of Directors
2. Authorize payment of interest and related charges on the Company's issued and outstanding indebtedness	CEO
3. Authority to draw on available lines of credit	CEO and CFO

**III. Cash Management**

<u>Action</u>	<u>Authority Required</u>
1. Authorize the purchase of temporary cash investments	
i) less than \$25,000	CFO
ii) exceeds \$25,000	CEO and CFO
2. Authorize the purchase of foreign currency funds	
i) less than \$25,000	CFO
ii) exceeds \$25,000	CEO and CFO
3. Authorize the opening or closing of Company bank accounts	CEO and CFO
4. Designate individuals who are authorized to sign cheques drawn on the Company's bank accounts	CEO and CFO

**IV. Capital Activities**

1. Authorize the issuance of shares	Board of Directors
2. Redeem, purchase or otherwise retire shares	Board of Directors

**V. Transactions Involving Subsidiaries and Associated Companies**

<u>Action</u>	<u>Authority Required</u>
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1.	Approve billing in connection with services rendered to and from subsidiary	CFO
2.	Approve repayment of intercompany balances between subsidiaries	CFO
3.	Approve the increase or reduction of the Company's interest in, or loan to, a subsidiary	CEO and CFO
4.	Approve the incorporation of a Company	CFO

**VI. Taxes**

<u>Action</u>	<u>Authority Required</u>
1. Sign all tax returns	CEO or CFO
2. Sign all request for advance rulings, notices of objections, tax elections and waivers	CFO
3. Approve schedules of income and capital tax instalments	CFO
4. Authorize payment of periodic GST, income, or capital tax instalment	CFO
5. Authorize all other payments of income and capital tax, excluding related interest and penalties, if applicable	
i) exceeds \$25,000	CEO
ii) less than \$25,000	CFO
6. Authorize payment of all tax related interest and penalties	CEO and CFO

**VII. Employee Advances and Expenses**

<u>Action</u>	<u>Authority Required</u>
1. It is Company policy that all employees use credit cards to pay expenses and then receive reimbursement from the Company. However, in exceptional circumstances the required authorization for an advance of expenses is:	VP, Finance and Administration
2. Authorize reimbursement of expenses incurred on behalf of the Company	Immediate Supervisor
3. All expense reports reviewed prior to release of payment	VP, Finance and Administration

**VIII. Acquisition and Payment of Goods, Services and Capital Items**

<u>Action</u>	<u>Authority Required</u>
1. Approve payment of any budgeted expenditures. Capital items must be specifically budgeted and not just a "provision"	CFO
2. Approve payment of any unbudgeted expenditures	
i) less than \$5,000	Any One Vice President (" <b>VP</b> ")
ii) \$5,000 - \$25,000	CFO or VP
iii) \$25,000 - \$250,000	CEO or Executive Chairman
iv) Over \$250,000	Board of Directors
3. Approve the payment of Director's fees and expenses	CEO
4. Approve the payment of charitable donations	CEO
5. Approve the payment of political donations	CEO
6. Approve the payment of expenses associated with employee events (i.e. Christmas parties, regional conferences, or any group or office parties)	CEO or CFO
7. Approve the payment of any legal fees and expenses	CEO or CFO

**X. Legal Proceedings, Documents and Undertakings**

<u>Action</u>	<u>Authority Required</u>
1. Approve the initiation of legal proceedings or the making of any application or initial filings before any Board, Commission Tribunal or similar authority.	CEO
2. Sign documents and undertakings, applications, answers, replies, submissions, notices and other documents similar to any of the foregoing in connection with any proceedings pending before any Board, Commission Tribunal or similar authority	CEO
3. Sign documents and undertakings as in Item 2, but restricted to proceedings involving	CEO

<u>Action</u>	<u>Authority Required</u>
seizures of property, demands for payment, or bankruptcies, of employees or shareholders of the Company	
4. Approve submissions or filings in the name of the Company to government or other authorities	CEO
5. Approve payment of fees to governments, boards commissions and regulatory bodies or similar persons with respect to requests or filings of documents	CEO
6. Approve the settlement of any legal proceeding where the payment involved is:	
i) less than \$50,000	CEO
ii) exceeds \$50,000	Board of Directors

## Section B: Human Resources and Payroll

### I. Organization, Personnel and Compensation

<u>Action</u>	<u>Authority Required</u>
1. Authorize total compensation policy including salary policies, total competency increases, total economic adjustment factors, total market adjustments, total benefit plans, total pension plans and total bonus plan	Board of Directors
2. Authorize specifically the total compensation of a company senior executive whose annual base salary is greater than \$150,000	Board of Directors
3. Authorize the hiring or dismissal of a senior employee whose annual base salary is greater than \$150,000 per annum	Board of Directors
4. Authorize the hiring of a salary or contract employee where the position is:	
i) a replacement position	CEO
ii) a new position	CEO

<u>Action</u>	<u>Authority Required</u>
5. Supervise the dismissal, demotion or retirement of an employee where the employee is a salaried employee, a permanent part-time employee or a contract employee	CEO
6. Approve actions to be taken on behalf of the Company (including settlements) in matters involving labour relations, grievances, arbitration, cases before any provincial or federal labour or human rights boards	CEO
7. Authorize the payment of overtime or time in lieu to an employee	CFO

## II. Administration of Pension and Benefit Plans

<u>Action</u>	<u>Authority Required</u>
1. Authorize changes to general employee benefit programs and retirement plans	CEO or CFO
2. Administration of the Company's benefit program:	
i) routine matters, including, for example, granting maternity leaves, payments under sickness and long term disability plan, etc. in accordance with established Corporate practices	Direct Supervisor and CFO
ii) Approve payments to carriers, covering claims and administrative fees associated with the Company's authorized Health Plans	CFO

## III. Payroll Disbursement Activities

<u>Action</u>	<u>Authority Required</u>
1. Approve payments of funds for payroll purposes	CFO
2. Approve payments of funds for other payroll and Benefit Program related activities, including remittances or fees to governments, trustees, insurance carriers, etc.	CFO

**Section C: Customer and Supplier Contracts**

<u>Action</u>	<u>Authority Required</u>
1. Authority to commit Company to a <u>new</u> contract or a renewal of an existing contract <u>on new terms and conditions</u> :	
i) Non Disclosure Agreements	CEO
ii) Collaboration Agreements	Any One VP
iii) Sales Agreements	VP, Sales or CFO
iv) Supply Agreements	Any One VP
2. Authority to commit Company to a renewal of an existing contract <u>on substantially the same terms and conditions</u>	CEO or VP

**Section D: Corporate Acquisitions, Developments and Investments**

<u>Action</u>	<u>Authority Required</u>
1. Authorize the expenditure of refundable and non-refundable preacquisition costs	
i) under \$25,000	CFO
ii) \$25,000 - \$250,000	CEO
iii) over \$250,000	Board of Directors
2. Approval of invoices for preacquisition costs already specifically authorized in the annual budget or specifically authorized under Item 1	
i) under \$50,000	CFO
ii) over \$50,000	CEO
3. Approval to enter into a binding contract to acquire a project/investment	
i) under \$250,000	CEO
ii) over \$250,000	Board of Directors