

BUCHANS MINERALS CORPORATION
COMPENSATION COMMITTEE CHARTER

1.0 PURPOSE

1.1 The Compensation Committee ("Committee") is a standing committee of the board of directors ("Board") of Buchans Minerals Corporation ("Buchans Minerals") which is appointed by and reports to the Board, with a mandate to assist the Board in fulfilling its oversight responsibilities related to:

- (a) appointment, performance evaluation and compensation of Buchans Minerals' President and Chief Executive Officer ("CEO"), Vice-Presidents and senior executives;
- (b) succession planning;
- (c) determination of director compensation; and
- (d) management and administration of its compensation plans, including incentive and equity compensation plans.

2.0 COMMITTEE MEMBERSHIP

2.1 The Board shall annually appoint a minimum of 3 directors to the Committee all of whom shall, to the extent practicable, be independent of management and free from any relationship that, in the opinion of the Board, would interfere with the director's exercise of judgement as a member of the Committee. In the event that a member of the Committee has a relationship with a member of management which, in the opinion of the Board may interfere with the director's exercise of judgement or give rise to an appearance of a conflict of interest, that member shall excuse himself or herself from any decision relating to such member of management.

2.2 Members of the Committee shall be appointed at the first meeting of the Board held following the annual meeting of the shareholders of Buchans Minerals.

2.3 A member may resign from the Committee and may be removed and replaced at any time by the Board. A member of the Committee will automatically cease to be a member at such time as that individual ceases to be a director of Buchans Minerals.

3.0 CHAIR OF THE COMMITTEE

3.1 The Board shall in each year appoint a Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member to act as interim Chair.

3.2 The Chair shall be responsible to:

- (a) ensure the Committee meets regularly and performs its duties as set out herein; and
- (b) report to the Board of Directors on the activities of the Committee.

4.0 COMMITTEE AUTHORITY AND RESPONSIBILITIES

4.1 The Committee shall have authority and be responsible to perform the following:

Compensation of Senior Officers:

- (a) annually review and approve the position descriptions of the Senior Officers and the corporate performance goals and objectives relevant to determining the Senior Officers' compensation;
- (b) evaluate the performance of each of the Senior Officers in light of the corporate goals and objectives established on an annual basis;
- (c) make recommendations to the Board with respect to the compensation of each of the Senior Officers, including, as appropriate, salary, bonus, incentive and equity compensation and benefit plans based on:
 - (i) its evaluation of the performance of the Senior Officer and, in the case of all Senior Officers except the CEO, the recommendations of the CEO;
 - (ii) the performance of Buchans Minerals;
 - (iii) the amount of compensation that other companies of comparable size, sector and level of activity pay their employees performing comparable services;
 - (iv) market conditions generally including the ability of Buchans Minerals to access the fund it requires in order to implement its business plan;
- (d) develop and implement a succession plan for the CEO and other officers of Buchans Minerals.

Board of Director Compensation:

- (e) annually review and recommend to the Board a compensation package for members of the Board, taking into account the relative responsibilities of directors in serving on the Board and on the various subcommittees of the Board;

Buchans Minerals' Compensation Plans:

- (f) review Buchans Minerals' compensation philosophy, policies, plans and guidelines annually and recommend any changes to the Board;
- (g) review and recommend to this Board any new incentive compensation and equity compensation plans;
- (h) review all equity compensation plans, including Buchans Minerals' Incentive Stock Option Plan, and make recommendations respecting grants of equity and options and any changes to such plans;
- (i) review all material proposed actions with respect to pension plans for approval by the Board;

General:

- (j) review and approve compensation disclosure before Buchans Minerals publicly discloses such information; and
- (k) perform any other activities consistent with this Charter, Buchans Minerals' By-laws and governing law, as the Board may from time to time deem necessary or appropriate.

5.0 MEETINGS

5.1 The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair. The approved minutes of the Committee shall be circulated to the Board forthwith and shall be duly entered in the books of Buchans Minerals.

5.2 No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- 5.3 The Committee shall meet as often as it deems necessary to carry out its responsibilities but not less frequently than annually.
- 5.4 The time at which, and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the by-laws Buchans Minerals or otherwise determined by resolution of the Board.
- 5.5 Meetings may be held in person, by teleconferencing or by videoconferencing.
- 5.6 Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

6.0 ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS

- 6.1 The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of Buchans Minerals.
- 6.2 The Committee may invite such other persons to its meetings, as it deems necessary.
- 6.3 The Committee shall have the authority to retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities, at the expense of Buchans Minerals. Any such advisors retained shall report directly to the Committee.

7.0 REPORTING REQUIREMENTS

- 7.1 The Committee shall report to the Board on all proceedings and deliberation of the Committee, through the Chair, at the first subsequent meeting of the Board and at such other times and in such manner as the Board may require or as the Committee in its discretion may consider advisable.
- 7.2 The Committee shall prepare an annual report to shareholders concerning executive compensation for inclusion in Buchans Minerals' annual Management Information Circular.

8.0 ANNUAL REVIEW AND ASSESSMENT

- 8.1 The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

8.2 The Committee shall review its own performance annually in accordance with any processes developed by the Audit Committee.

9.0 REMUNERATION

9.1 The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.