

# Compensation Committee

AS ADOPTED BY THE BOARD OF DIRECTORS OF ASCENDANT COPPER CORPORATION (the "Corporation") ON FEBRUARY 25, 2005, AS AMENDED DECEMBER 15, 2005

## I. PURPOSE

A. The purpose of the Compensation Committee (the "Committee") is to review:

- i) the remuneration and benefits of directors;
- ii) the remuneration, benefits and performance of executive management; and
- iii) to establish a plan of continuity for executives and other key employees and make recommendations to the Board with respect thereto as it deems appropriate.

B. The Committee will establish a broad plan of executive compensation that is competitive and motivating in order to attract, retain and inspire Executive Management and other key employees.

C. For the purposes hereof "Executive Management" means the Chief Executive Officer ("CEO") and all officers of the Corporation who report to the CEO or Chief Financial Officer ("CFO") and such other officers of subsidiaries of the Corporation as designated by the CEO.

## II. PROCEDURES AND ORGANIZATION

A. Following each annual meeting of shareholders of the Corporation, the Board shall elect from its members a minimum of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee, as defined by Multilateral Instrument 52-110 ("MI 52-110").

B. The Chairman of the Committee shall be designated by the Board.

C. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member shall hold office until the close of the next annual general meeting of shareholders of the Corporation or until the member resigns or is replaced, whichever occurs first.

D. In the absence of the Chairman at any meeting of the Committee, the members present at the meeting shall appoint one of their number to act as Chairman of the Committee meeting.

E. The Corporate Secretary of the Corporation shall be the Secretary of the Committee, unless otherwise determined by the Committee.

F. The Committee will convene at least twice per year at a time and location designated by the Committee Chairman. Additional meetings may be convened at the request of any Committee member.

G. The quorum for meetings shall be two (2) directors, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. A notice of meeting shall be sent no later than twenty-four (24) hours prior to such meeting. However, meetings of the Committee may be held without formal notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner either before or after the meeting.

H. The minutes of all meetings of the Committee shall be available to all Board members.

I. The Committee shall have access to outside counseling if deemed necessary.

J. The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.

K. Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chair shall not be entitled to a second or deciding vote.

### **III. DUTIES AND RESPONSIBILITIES**

The general duties and responsibilities of the Committee shall be as follows:

A. to develop compensation philosophy for Executive Management and present the recommendations to the Board for approval;

B. to meet with Executive Management to establish corporate objectives and, subsequently, to meet independently of Executive Management to assess progress in relation to these objectives;

C. to undertake the performance evaluation of the CEO in consultation with the Chairman of the Board of Directors;

D. to review, establish and recommend to the Board approval of the compensation of each member of the Executive Management, subject to the Board approval;

E. to review and recommend to the Board approval of the initial compensation package of new employees at the senior management level and report to the Board at the next meeting;

F. to recommend to the Board for consideration, approval and establishment by the Board any stock option plan, incentive plan or employee benefit plans to be granted to directors, Executive Management and other employees and guidelines with respect thereto;

G. to review management's recommendations for the granting of stock options or other incentives to Executive Management and other key employees of the Corporation and its affiliates and make recommendations to the Board. The Committee may suggest amendments to any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;

H. to review and recommend to the Board approval of benefits to be granted under all corporate benefit plans applicable to Executive Management, including levels and types of benefits;

I. to consider and make recommendations to the Board for its approval all matters concerning perquisites and other remuneration matters with respect to Executive Management, within any guidelines established by the Board with respect thereto;

J. to review and recommend the compensation package of the directors and the Chairman of the Board that realistically reflects the responsibilities and risks involved in being a director and, as appropriate, member of a committee;

K. to review and recommend to the Board benefits to be granted under all employee benefit plans;

L. to conduct, when instructed by the Board, personnel exit interviews with Executive Management personnel;

M. to review succession plans for Executive Management, including specific development plans, methods of achieving recommended action; and career planning for potential successors;

N. to engage, through its Chairman and in appropriate circumstances, at the expense of the Corporation, independent counsel and advisors;

O. to review and, as appropriate, recommend changes annually to the Committee's Terms of Reference; and

P. to fulfill such other powers and duties as delegated to it by the Board.