



EUROPEAN GOLDFIELDS LIMITED
(the “Company”)

MANDATE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Board of Directors is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of the Corporate Governance and Nominating Committee, the Audit Committee, the Human Capital Management Committee and the Health, Safety and Environmental Committee. The Board of Directors shall meet at least quarterly to review the business operations, corporate governance, environmental and health and safety compliance and financial results of the Company. Meetings of the Board of Directors shall also include regular meetings of the independent members of the Board without management being present.

II. RESPONSIBILITIES

The Board of Directors' mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to the various committees of directors the general responsibility for developing the Company's approach to: (i) corporate governance and nomination of directors related issues; (ii) financial reporting and internal controls; (iii) issues relating to compensation of officers and employees and (iv) environmental and health and safety matters.
- With the assistance of its Committees:
 - Create an agenda for the ensuing year to fulfill its mandate.
 - Review and update this Charter annually, as conditions dictate.
 - Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Company.
 - Reviewing the composition of the Board of Directors and ensuring it respects its independence criteria.

- Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the organization.
 - Ensuring that an appropriate review selection process for new nominees to the Board of Directors is in place.
 - Approving disclosure and securities compliance policies, including communications policies of the Company and ensure a process is in place for stakeholders to provide feedback to the independent members of the Board.
 - The establishment of appropriate performance criteria for the senior management team and the approval of the compensation of the senior management team.
 - Recommending the appointment of the auditors and assessing the performance of the auditors.
 - Ensuring the integrity of the Company's internal controls and management information systems.
 - Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
 - Identification of the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
 - Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
 - As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
 - Succession planning and the selection, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- The review and approval of corporate objectives and goals applicable to the Company's senior management.
 - Reviewing with senior management:
 - major corporate decisions which require Board approval and approving such decisions as they arise.
 - major capital expenditure decisions (in excess of \$500,000) unless previously authorized in a budget or plan by the Board of Directors.

- material decisions relating to senior personnel, development or operation of a mineral exploration properties or matters relating to the environment, health or safety.
- Performing such other functions as prescribed by law or assigned to the Board of Directors in the Company's constating documents and by-laws.

IV. MISCELLANEOUS

1. The members of the Board are expected to attend all meetings of Board of Directors in person or by phone unless prior notification of absence is provided.
2. The members of the Board are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.

Approved: March 2009