BOARD OF DIRECTORS' TERMS OF REFERENCE

JUNE 27, 2016

WENTWORTH RESOURCES LIMITED

(the "Corporation" or "Wentworth")

BOARD OF DIRECTORS' TERMS OF REFERENCE

INTRODUCTION

The following terms of reference provide an overview of the key responsibilities of the board of directors of Wentworth (the "Board"), the rules governing their conduct, and the duties that the Board members must fulfill. This document is not exhaustive and is intended as a reference only.

The terms of reference are derived from the *Business Corporations Act* (Alberta) (the "ABCA") being the statute under which Wentworth is established, the rules of the Oslo B∅rs Stock Exchange (the "OSE") and the corporate governance guidelines in relation to AIM (a market operated by London Stock Exchange plc) ("AIM") being the exchange on which the common shares of Wentworth are traded, and certain corporate governance charters and policies proposed for approval or previously approved by the Board.

Good corporate governance is the underlying principle that guides these terms of reference. Good corporate governance promotes corporate fairness (which means limiting unfair advantage or abuse), creates and fosters transparency (which means providing proper disclosure of what has been done or will be done) and ensures accountability (so that the senior officers and directors of the Corporation act responsibly and are responsible for their actions).

ELECTION OF DIRECTORS AND COMPOSITION OF THE BOARD

Pursuant to the ABCA at least 25% of the Board must consist of directors who are resident Canadians.

The ABCA also provides that in order to be elected as a director, an individual must not be less than 18 years of age, mentally competent, and not an individual or a person who has the status of bankrupt. A director of a corporation need not be a holder of shares issued by the Corporation.

In order to be validly elected or be appointed as a director, the individual must have been present at the meeting when the individual was elected or appointed or have consented to act as a director in writing before the individual's election or appointment or within 10 days after it. The individual is deemed to have given consent if the individual has acted as a director pursuant to the election or appointment.

THE DUTIES AND RESPONSIBILITIES OF THE BOARD

The directors of the Corporation are responsible for managing or supervising the management of a Corporation's business and affairs. The directors have a duty under the ABCA to exercise such power and authority and may properly discharge this duty by appointing officers of the Corporation and delegating certain duties to them. However, while certain duties may be delegated by the Board (some duties may not, as discussed below), the liability and ultimate accountability for the outcome of those delegated duties, subject to certain standards of misconduct and negligence, may not.

As a director, you should ensure that the officers which you appoint are given specific delegation of duties and that the duties so delegated are performed to a predetermined reasonable standard and within an established framework. This obligation should be covered by adequate position descriptions and the financial authority "Delegation of Authority" matrix.

Duties that the Board Must Perform

There are certain duties that the Board must perform**.** These duties cannot be delegated. Some of these duties include, but are not limited to, the following:

- submitting to the shareholders any question or matter requiring the approval of the shareholders as provided in the ABCA. (These are often referenced as fundamental changes and include creating new classes of securities, amending the articles of the Corporation, or changing the Corporation's name);

- filling a vacancy on the Board between meetings of shareholders or in the office of auditor; (The Corporation has included in its articles the ability to fill vacancies on the Board of up to 1/3 of the directors between shareholder meetings);

- issuing securities.[(1)] (This includes the issuance or approval of stock options even if such options are approved by a previously approved stock option plan);

- issuing securities of a series;

- declaring dividends;

- purchasing, redeeming or otherwise acquiring securities issued by the Corporation;

- paying a commission for the sale of securities; (This includes the payment of fees to Underwriters in engagement letters for the Corporation's offerings);

- approving a management proxy circular, prospectus, a take-over bid circular or directors' circular;

- approving annual financial statements; and

[(1)] "**Security**" is defined under the *Securities Act* (Alberta) as: (1) any document, instrument or writing commonly known as a security; (2) any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any person or company; (3) any document constituting evidence of an interest in an association of legatees or heirs; (4) any document constituting evidence of an option, subscription or other interest in or to a security; (5) any bond, debenture, note or other evidence of indebtedness, share, stock, unit, unit certificate, participation certificate, certificate of share or interest, preorganization certificate or subscription other than a contract of insurance issued by an insurance company, or an evidence of deposit issued by a financial institution; (6) any agreement under which the interest of the purchaser is valued for purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets other than a contract issued by an insurance company that provides for payment at maturity of an amount of not less than ¾ of the premiums paid by the purchaser for a benefit payable at maturity; (7) any agreement under which money received will be repaid or treated as a subscription to shares, stock, units or interests at the option of the recipient or of any person or company; (8) any certificate of share or interest in trust, estate or association; (9) any profit-sharing agreement or certificate; (10) any certificate of interest in oil, natural gas or mining lease, claim or royalty voting trust certificate; (11) any oil or gas royalties or leases or fractional or other interest in them; (12) any collateral trust certificate; (13) any income or annuity contract not issued by an insurance company; (14) any investment contract; (15) any document constituting evidence of an interest in a scholarship or educational plan or trust; (16) any item or thing not referred to above that is a futures contract or option but is not an exchange contract.

- adopting, amending or repealing by-laws.

ADDRESSING CONFLICTS OF INTEREST

As a director who is a party to a material contract or material transaction, or proposed material contract or material transaction, you are required to disclose in writing to the Corporation or ask to have entered into the minutes of meetings of directors the nature and extent of your interest in the material contract or material transaction. "Material" is a question of fact, therefore disclosure should be made whenever the involvement is relevant to the Corporation's decision making process. If there is a possibility that you will benefit from the contract more than *de minimis*, then the transaction should be disclosed to the Corporation.

If you are a director (or equivalent) of another corporation (or equivalent) and has a material interest in that other corporation who is a party to a material contract or material transaction, or proposed material contract or material transaction with the Corporation, you are required to disclose in writing to the Corporation or ask to have entered into the minutes of meetings of directors the nature and extent of your interest in the material contract or material transaction. A "material interest" is a broad term that refers to a significant financial interest in a corporation. The term includes a material beneficial interest, and it might include an interest where an individual could exercise discretion or control over sufficient shares as to impact the financial outcome of the Corporation. Furthermore, it includes a personal relationship with a person who is a party to a material contract.

Timely Disclosure of Conflict of Interest

A conflict of interest must be disclosed by the director at the first meeting where the proposed contract or transaction is first considered. If the director was not interested at the time of the meeting, or becomes interested after the contract or transaction is made, disclosure is to be made at the first meeting after the director becomes interested.

Disclosure cannot be waived by contractual consent or approval. Directors cannot vote on any resolution that involves conflict of interest dealings.

Conflict of interest matters are discussed in further detail in the Corporation's Code of Ethics and Business Conduct.

Director Questionnaire

In connection with each prospectus or major disclosure document (such as a management proxy circular) each director will be required to complete a Director and Officer Questionnaire ("D & O Questionnaire"). This questionnaire is used as a means to collect, in a timely manner, complete and accurate of information about each director's ownership of securities, interest in material transactions, residence and other material information, which is required by law in the Corporation's disclosure documents. The D & O Questionnaire may be completed once and simply confirmed at the time of drafting of each disclosure document.

THE BOARD AS A FIDUCIARY

The Board is expected to act honestly and in good faith with a view to the best interest of the Corporation.[2] To be a fiduciary means that a relationship of trust is created and means that the fiduciary must put the interests of the beneficiary before his or her own interests at all times. In this context each board member is a fiduciary and the Corporation is the beneficiary.

The potential for breaching the fiduciary duty increases when there is a conflict of interest between a director's personal interests and those of the Corporation.

Some examples of when a director has the potential to breach his or her fiduciary duty are when a director represents a third party, has confidential information about a third party or has information about the Corporation's plans or corporate opportunities. If a director is appointed to the Board to represent the interests of a third party (i.e. shareholder or creditor), he or she must be careful not to breach his or her fiduciary duty to the Corporation. Certain decisions or resolutions may not favour the third party, but may be in the best interests of the Corporation. Further, such director has a duty of confidentiality not to disclose to such third party information that would give it an advantage (real or perceived) over other stakeholders. The director has a fiduciary duty to disclose information that is important to the Corporation, even if such disclosure may harm the interests of such nominating third party.

Another example is in the context of discussions of potential corporate opportunities for the Corporation among board members or at meetings of the Board. A director cannot appropriate a corporate opportunity or corporate property arising out of their relationship with the Corporation. A maturing corporate opportunity becomes proprietary to the Corporation, and the information about it is confidential. As such directors may no longer use such information or explore the corporate opportunity except in the best interests of the Corporation. The conflict arises when the director is also on the board of other corporations, which may benefit from such corporate opportunity or information. If the opportunity is material, the conflict crystallizes and must be dealt with as provided above and pursuant to the Code of Ethics and Business Conduct.

DUTY OF CARE OF THE BOARD

Under the ABCA, directors have a duty of care to exercise the care, diligence and skill that a reasonably prudent person would exercise in the circumstances. Duty of care refers to the diligence you must demonstrate in evaluating the business matters that will come before you as a member of the Board.

In terms of duties and responsibilities, there is no distinction between insider or active directors and outside or passive directors. A passive part-time nominee director is subject to the same duties as an active director. A director cannot contract out of his or her duties or avoid liability for negligence or breach of trust.

In general, fulfilment of a duty of care requires common sense and prudence. A director must be cautious and consider foreseeable consequences. A director should not blindly rely on the report of others, including third-party experts. A director is expected to read materials provided, including the reports of

[2] See section 122 of the ABCA

experts and ask the necessary questions, obtain responses to satisfy him or herself that the proper due diligence and care has been exercised with respect to the information provided.

If a director does not agree with a resolution or transaction then the director should express his or her dissent and ensure that such dissent is evidenced in writing.

In terms of the level of skill that is expected of directors, it is the skill of reasonably prudent person in the circumstances. A director with special skill or knowledge is held to standard of a reasonably prudent person with that special skill and knowledge. Directors must behave in a way to reflect whatever personal expertise they are bringing to the Board. For example, if a director is an accountant and specialized in external finance reporting, that director's duty of care will be that of a reasonably prudent accountant.

INSIDER TRADING

Members of the Board are deemed Primary Insiders (as defined in the Insider Trading Policy) by the virtue of their position in the Corporation. Criminal law, securities laws, and the rules of the OSE prohibit a director from conducting any trade in the securities of the Corporation, or inciting any third party to conduct any such trade, with information that has not been made public, which, if it were made public, would likely have a significant effect on the price of the securities of the Corporation or related financial instruments.

The responsibility to comply with the applicable laws which prohibit insider trading and avoid improper trading rests with each director. Directors should carefully review and follow the Insider Trading Policy adopted by the Corporation in order to protect the reputation of the Corporation and to protect against any potential liability.

Under the Corporation's Insider Trading Policy, directors are not allowed, on their own behalf or on behalf of a third party, to trade in the securities of the Corporation, or incite any third party to trade in the securities of the Corporation, without obtaining prior clearance from the Audit Committee. If clearance is denied, the fact of such clearance request and subsequent refusal must be kept confidential. If the clearance is granted by the Audit Committee, the director must immediately notify the OSE of the trade.

The above mentioned requirements also apply to trades by Close Associates of the director. Close Associates is a defined term and includes, but is not limited to:

- the director's spouse or a person with whom the director cohabits in a relationship akin to marriage;
- the director's underage children and underage children of the director's spouse or a person with whom the director cohabits in a relationship akin to marriage;
- an entity controlled by the director or any person mentioned above, or any person or entity with whom the director acts in concert when exercising the rights accruing to the securities of the Corporation.

Each director must obtain prior clearance from the Audit Committee before a trade by a Close Associate. The director must immediately notify the OSE if clearance is granted by the Insider Disclosure & Compliance Committee and the Close Associate ultimately trades in the securities of the Corporation.

BUSINESS MANAGEMENT ARCHITECTURE & SPENDING AUTHORIZATION

In each fiscal year, the Board will review for approval any new Funding Packages pertaining to proposed capital programs, will review for approval PAR documents relating to approved/proposed Funding Packages, and will approve the capital budget as part of the overall budgeting process. The Business Management Architecture and discretionary spending authority and limits are discussed in detail in the following Policy documents: Capital Financial Management and Control Policy, and Delegation of Authority.

ESTABLISHING CORPORATE GOVERNANCE

Good corporate governance flows from creating a corporate culture that is ethical and fair while advancing the Corporation's business interests. Such corporate culture is good for business, good for your employees and other stakeholders, and good for your reputation with investors and regulators. In order to develop such culture, it is important to develop as much independence of the Board from management as is practical for the Corporation's size and stage of development.

Good corporate governance will flow more easily from such a good corporate culture and strong corporate governance framework. This will allow the Corporation to focus on business development. Good corporate governance practices requires, but are not limited to:

- an effective system of accountability by management to the Board and by the Board to the stake holders;
- ensuring that information is made available and that decisions can be reviewed;
- ensuring that the interests of all stakeholders are protected and;
- ensuring that the interest of minority security holders are protected, where there is a significant security holder.

Mandate of the Board

One of the key tools in developing an effective system of accountability is a written mandate of the Board in which the Board explicitly acknowledges responsibility for the stewardship of the Corporation, including responsibility for:

- adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account among other things, the opportunities and risks of the business;
- to the extent feasible, satisfying itself as to the integrity of the chief executive officer and other executive officers and that the chief executive officer and other executive officers create a culture of integrity throughout the organization;
- the identification of the principal risks of the Corporation's business, and ensuring the implementation of appropriate system to mange these risks;
- succession planning (including appointing, training and monitoring senior management);

- adopting a communications policy for the Corporation;
- the Corporation's internal control and management information system; and
- developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.

A Board Mandate which includes these items has been proposed for Board approval.

Code of Ethics and Business Conduct

Another corporate governance tool is a written code of business conduct and ethics. A code of conduct and ethics should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing, and it would apply to directors, officers and employees. A code, if adopted, should address the following issues:

- conflict of interest (including transactions and agreements in respect of which a director or executive officer has a material interest);
- protection and proper use of corporate assets and opportunities;
- confidentiality of corporate information;
- fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
- compliance with laws, rules and regulations; and
- reporting of any illegal or unethical behaviour, including naming the person to report to and how reports are dealt with.

The Corporation has adopted a Code of Ethics and Business Conduct in August, 2006 which addresses these items and procedures which are required by each director in the circumstances enumerated in it.

DOCUMENT HISTORY

June 20, 2007	Approved by the Board of Directors of Artumas Group Inc.
October 21, 2011	Amended, approved and adopted by the Board of Directors of Wentworth Resources Limited
June 27, 2016	Amended, approved and adopted by the Board of Directors of Wentworth Resources Limited