

**ERDENE RESOURCE DEVELOPMENT CORP. (“Corporation”)
COMPENSATION COMMITTEE CHARTER**

I. Purpose

The Compensation Committee is a standing committee of the board of directors of the Corporation (“**Board**”) charged with assisting the Board in fulfilling its responsibility to the shareholders and investment community. Its role is to review, monitor and, where specified, approve matters relating to the compensation and development of the Corporation’s Chief Executive Officer and senior executives.

II. Authority

The Board authorizes the Compensation Committee, within the scope of its mandate, to:

- (a) Seek any information it requires from any employee (and all employees are directed to cooperate with any request made by the Compensation Committee).
- (b) Report to the Board on all proceedings and deliberations of the Compensation Committee 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.
- (c) Review annually its Mandate and all guidelines, procedures, policies or other documents used by it in fulfilling its responsibilities.
- (d) Assess the performance of the Compensation Committee and each of its members on an annual basis in accordance with any performance assessment guidelines provided by the Corporate Governance and Disclosure Policy Committee.

III. Composition

- (a) Each director who is a member of the Compensation Committee shall be independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Compensation Committee.
- (b) In the performance of its duties and responsibilities, the Compensation Committee shall have access to any and all books and records of the Corporation necessary for the execution of the Compensation Committee’s obligations and may discuss with the officers and auditors of the Corporation such accounts, records, documents and other matters considered appropriate.
- (c) The Compensation Committee may retain such outside consultants and advisors, at the Corporation’s expense, as it deems necessary from time to time to fulfill its duties and responsibilities.

- (d) Meetings of the Compensation Committee shall be called by the Chair of the Committee. Meetings shall be held when requested by any Compensation Committee member and at least once a year.

IV. Responsibilities

Responsibilities of the Compensation Committee include:

- (a) Review the Corporation's management compensation philosophy, policies, plans and guidelines annually.
- (b) Review remuneration and ad hoc compensation plans (base pay, incentive plans and equity-based pay) on an annual basis.
- (c) Review remuneration package for the Chief Executive Officer and senior executives on an annual basis and recommend changes, if any, to the Board. In making recommendations, the Compensation Committee shall:
 - (i) consider the individual's performance measured against his or her goals and performance objectives; and
 - (ii) consider the remuneration and incentives paid to senior executives at comparable companies.
- (d) Review any proposals concerning the Corporation's Incentive Stock Option Plan or any other equity compensation plans including grant proposals for approval by the Board and, as appropriate, by the shareholders. Ensure the proper administration of any stock option, stock purchase or stock ownership plans.
- (e) Review and recommend all executive benefits plans and executive perquisites for approval by the Board.
- (f) Review all material proposed actions with respect to executive pension plans for approval by the Board.
- (g) Review annual Chief Executive Officer and executive succession plans for approval by the Board.
- (h) Prepare an annual report to shareholders concerning executive compensation for inclusion in the Corporation's annual Management Information Circular.

V. Meetings

The Compensation Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than once a year. Special meetings may be held at any time deemed appropriate by any member of the Compensation Committee. A quorum for

the transaction of business at any meeting of the Compensation Committee shall consist of a majority of the members of the Compensation Committee. The corporate secretary will keep records of these meetings.

These meetings may be with representatives of appropriate officers or members of management, either individually or collectively as may be required by the Chair of the Compensation Committee.

The Chair of the Compensation Committee will report periodically its findings and recommendations to the Board.



(Adopted by the Board of Directors of Erdene Resource Development Corporation in 2005 and reviewed and updated by the Corporate Governance and Disclosure Policy Committee in May, 2020.)