

**STATEMENT OF GOVERNANCE POLICIES
OF THE BOARD OF DIRECTORS
OF**



**SERENGETI
RESOURCES INC.**

SIR:TSX-V

FOREWORD

This document sets forth the mandates and principles adopted by the Board of Directors of Serengeti Resources Inc. (the “Company”) for the good stewardship of the Company. It is intended as guidance for the Board, for each director, and for the Committees of the Board in the exercise of their respective responsibilities in the governance of the Company. The policies enunciated in this statement address the corporate governance disclosure guidelines applicable to issuers listed on the TSX Venture Exchange (the “Exchange”) and as set forth under National Instrument 58-101 “Disclosure of Corporate Governance Practices” (collectively, the “Guidelines”), and developing best practices in the field of corporate governance. The Policy is effective as of June 25, 2008.

This Policy was approved by the Board of Directors of the Company on August 27, 2008.

INDEX

1.	MANDATE OF THE BOARD OF DIRECTORS	1
2.	COMPOSITION OF THE BOARD	3
3.	THE ROLE OF A DIRECTOR	4
4.	NEW DIRECTORS	5
5.	COMMITTEES OF THE BOARD.....	6
6.	MANDATE OF THE AUDIT COMMITTEE	6
7.	MANDATE OF THE COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE.....	7
8.	PROCEEDINGS AND MEETINGS	8
9.	PROCEDURE FOR REPORTING OF FRAUD OR CONTROL WEAKNESSES	11

1. MANDATE OF THE BOARD OF DIRECTORS

The following is the mandate of the Board of Directors of the Company (the “Board”):

- Advocate and support the best interests of the Company;
- Review and approve strategic, business and capital plans for the Company;
- Ensure that adequate controls and information systems are in place with regard to business performance;
- Review the principal risks of the Company’s business and pursue the implementation of appropriate systems to manage such risks;
- Monitor progress and efficiency of strategic, business, and capital plans and require appropriate action to be taken when performance falls short of goals;
- Establish and monitor a Code of Ethics for directors, senior officers, and employees to address, among other matters, conflicts of interest, protection and proper use of corporate assets and opportunities, fair dealing with third parties, compliance with laws, rules and regulations, and reporting of any illegal or unethical behavior;
- Review measures implemented and maintained by the Company to ensure compliance with statutory and regulatory requirements;
- Review and monitor the effectiveness of the Audit Committee, and the Audit Committee Charter, on at least an annual basis;
- Select, evaluate, and compensate the senior management;
- Grant share options or share appreciation rights, or both, and monitor the evaluation and compensation of senior management;
- Monitor the practices of management to ensure appropriate and timely communication of material information concerning the Company to its shareholders; in addition, assume responsibility for the Communication Policy of the Company to ensure that it addresses how the Company interacts with analysts and the public and that it contains measures for the Company to avoid selective disclosure and ensures that insiders understand their obligations with respect to trading in securities of the Company;
- Monitor overall safety and environmental policies and programs;
- Monitor the development and implementation of programs for management succession and development; and
- Discharge such other duties as may be required for the good stewardship of the Company.

In addressing its mandate above, the Board of Directors assumes responsibility for the following approvals:

Financial and Corporate Approvals:

- Annual business and capital expenditure plans and exploration budgets;
- Annual financial statements, Management Discussion & Analyses (“MD&A”) and press releases;
- Quarterly financial statements and press releases;
- Capital expenditures in excess of \$100,000 for any single capital expenditure not included in the annual expenditure plan and its revisions;
- Divestitures of properties for which the Company has expenditures in excess of \$100,000;
- Financings;
- Dividend policy; if any;
- Share re-purchase programs;
- Blackouts and Insider Trading Policy.

Human Resources Approvals:

- Appointment, succession, or dismissal of Officers of the Company;
- Incentive Plans for directors, employees, consultants and others;
- Compensation for the Company Officers;
- Directors’ and officers’ liability insurance.

Administration and Compliance Approvals:

- Appointment of Board Committees and their Chairs;
- Nomination of Directors;
- Recommendation of Auditors to the Shareholders;
- Audit Committee Charter;
- Management Proxy Information Circular and Notice of Meeting;
- Annual Information Form (if any);
- Other major compliance policies.

In carrying out its mandate in connection with the compensation of senior management, the Board will:

- Consider the recommendations of the Compensation and Corporate Governance Committee when setting executive compensation including base salaries, short term and long term incentives, bonuses, stock options and perquisite programs.
- Monitor succession planning to ensure that, where practical and when needed, appropriate successors are being developed for the senior officers.
- Review and approve any regulatory disclosure of executive compensation, such as that contained in the Management Proxy Information Circular, required by stock exchanges, securities commissions or other regulatory bodies.

2. COMPOSITION OF THE BOARD

The Board recognizes that the appropriate mix of skills, experience, age, and gender will help to enhance its performance. The composition of the Board should reflect business experience compatible with the Company's strategic and business objectives with consideration to the geographic regions in which it operates.

The following summarizes guidelines for future composition:

- The Board should not have less than three (3) members at any time, the majority of which should be "independent", as that term is defined under National Instrument 58-101 ("NI 58-101"). The Board will determine annually, based on all relevant facts and circumstances, whether each director satisfies the criteria for independence. The Company will disclose these determinations for each member of the Board and all Committees of the Board in the Company's annual management proxy information circulars or MD&A filings, as the case may be. Based on the principles stated in this Policy, the Board may adopt and disclose categorical standards to assist it in making such determinations;
- The size of the Board may be increased or decreased as permitted by law and the Articles of the Company, as determined to be appropriate by the Board;
- Vacancies created by the resignation or removal of a director or the addition of a director's position may be filled by the majority vote of the directors then in office, and such appointee shall serve in that capacity until the next annual meeting of the shareholders;
- The Board will seek members from diverse professional and business backgrounds, who combine a broad spectrum of experience and expertise with a reputation for integrity.

A. INDEPENDENCE OF DIRECTORS

Under NI 58-101, “*in British Columbia a director is independent: (a) unless a reasonable person with knowledge of all relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder; or (b) if the Company is a reporting issuer in any other jurisdiction, the director is independent within the meaning of section 1.4 of MI 52-110, “Audit Committees”.*”

The Board interprets these Guidelines as meaning that an independent director is in essence a director who is not a member of the senior management of the Company, and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from a director’s direct or indirect shareholdings, provided the director is not directly or indirectly a “control person” as such term is defined under applicable securities legislation.

The Guidelines require that as part of its annual public disclosure of its governance policies, the Board must determine and disclose the number of independent directors on the Board and on each Committee of the Board. This determination may be made and formalized in the context of approval of the annual management proxy information circular or MD&A, as the case may be, and the governance practices disclosure contained in it.

3. THE ROLE OF A DIRECTOR

Directors are elected by and accountable to the shareholders of the Company. Although Directors may be elected by the shareholders to bring their practical experience, special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency exclusively.

Pursuant to Canadian law, Directors have statutory and fiduciary obligations to “act honestly and in good faith with a view to the best interests of the corporation.” The effect of this is that Directors owe the duties of a fiduciary to the Company. This duty is not owed to shareholders, even to a majority shareholder. The duties owed by Directors to shareholders (which are not deemed to be fiduciary in nature), include acting fairly and honestly in the deliberations of the Board. Canadian Courts have held that while it is proper for the Directors to have regard to the interests of the shareholders as well as the corporation, the best way to deal with any competing interests is to “act in the best interests of the corporation and have the shareholders derive their benefit from a better corporation.”

When a Director makes a material change in his principal occupation, the Board will take his or her new circumstances into account to determine whether the Director should be re-nominated.

4. NEW DIRECTORS

A. CRITERIA FOR SELECTION OF NEW DIRECTORS

There are personal qualities sought and a time commitment expected when choosing new Directors. Directors should be loyal to the Company and exercise care, diligence and skill in their dealings on behalf of the Company. They must have adequate time available to serve on the Board and should be willing to commit to an active term of 3 years, although there is no specific time frame designated for Board membership. Full Board attendance is critical to the ongoing performance of the Board. It is therefore expected that Directors will make every effort to attend all Board meetings.

Qualities generally sought in Board members include integrity, track record of business success, leadership, fairness, decisiveness, and to have an active and committed interest in the work of a Director. Each Director should provide “a window to the world” for the Company and participate in positive networking so as to open doors for new opportunities for the Company.

B. ORIENTATION AND TRAINING FOR NEW DIRECTORS

Orientation and training is monitored directly by the Board. When a Director is elected to the Board, he will be given an orientation package, including material that will assist him in becoming familiarized with the Company.

The orientation for a new director will include:

- Visits to the Company’s facilities;
- Meetings with operating management;
- Familiarization with the Company’s properties, partners and potential;
- An outline of the Company’s history and other relevant data;
- Recent analysts’ reports, if any;
- Copy of the Articles of the Company;
- A copy of this Statement of Governance Policies;
- Information on director and officer liability insurance coverage, if any;
- Guidance concerning trading in the Company’s securities; and
- Information pertaining to remuneration.

5. COMMITTEES OF THE BOARD

A. THE COMPOSITION OF COMMITTEES

The standing Committees of the Board will be established as the Board sees fit, following each annual general meeting of shareholders. Recognizing qualifications and availability, each independent Director should be appointed to at least one Committee during his or her term. Committee appointments are not made on a permanent basis, and will be reviewed annually. The Board shall appoint a Chair for each Committee, and the person so appointed will call meetings, establish agendas and preside over the proceedings of the Committee. The Chair of each Committee should be an independent Director. Each Committee shall be composed of a majority of independent Directors, and no material business shall be transacted at any meeting at which the majority of those Directors present are not independent Directors.

In order to more efficiently discharge its responsibilities, the Board has established an Audit Committee and a Compensation and Corporate Governance Committee. Other Committees will be established from time to time to assist the Board as the Board sees fit, depending on the stage of development of the Company. The Board may, from time to time, also establish *ad hoc* committees, such as an Executive Committee, to address specific issues on a project basis.

As guidance to the Audit Committee, the following rules and procedures (together with the Audit Committee Charter in effect from time to time) are applicable to the standing Audit Committee of the Board.

6. MANDATE OF THE AUDIT COMMITTEE

A. FORMATION OF AUDIT COMMITTEE

The *Business Corporations Act* (British Columbia) specifies that a corporation offering securities to the public must have an audit committee of not fewer than three directors of the corporation, a majority of whom are not officers or employees of the corporation, or of any of its affiliates. The Multi-lateral Instrument 52-110 “Audit Committees” (“MI 52-110”) recommends that the Audit Committee be comprised exclusively of independent Directors; however, an exception is made for companies (such as the Company) that are “venture issuers”, as that term is defined in MI 52-110, due to their developmental stage of business.

B. AUDIT COMMITTEE MEMBERSHIP

While the Company is a venture issuer, the Audit Committee shall be comprised of not less than three Directors, at least two of whom are independent Directors. In addition, while the Company is a venture issuer, at least one member of the Audit Committee shall be “financially literate” (having the ability to read and understand a balance sheet, an income statement and a cash flow statement to the degree of complexity expected from the Company). The Chair of the Committee shall be appointed for a one-year term, and may serve any number of consecutive terms.

C. AUDIT COMMITTEE MEETINGS

The Audit Committee shall meet at least once every fiscal quarter (using telephone conferencing as deemed appropriate quarterly meetings), and it may call special meetings as required. A quorum at meetings of the Audit Committee shall be two Members, and shall include an independent Director.

The Chair of the Audit Committee shall, in consultation with senior management, establish an agenda for the meetings and ensure that the agenda and all agenda materials are circulated to the Members in sufficient time for study prior to each meeting.

The minutes of the Audit Committee meetings shall be prepared and kept by the Secretary of the Company, and shall accurately record the decisions reached, and shall be distributed to Committee Members with copies to the other Members of the Board of Directors and to the Chief Financial Officer (“CFO”), or if there is no CFO, the CEO.

D. AUDIT COMMITTEE MANDATE

The Audit Committee’s mandate will be set out in the Audit Committee Charter, as adopted and approved by the Board from time to time.

7. MANDATE OF THE COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

- Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of the corporate goals and objectives and make a recommendation to the Board with respect to the CEO’s compensation based on the evaluation;
- Make recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans;

- Review executive compensation disclosure before the information is disclosed publicly;
- Recommend annually to the Board the Company's approach to corporate governance, without limitation, and if considered appropriate suggest changes to the Board;
- Review annually all new and modified rules and policies concerning Corporate Governance with the CEO;
- Engage consultants as may be required to perform Committee duties;
- Act on other appropriate Board assignments.

8. PROCEEDINGS AND MEETINGS

The Board is committed to effective and time efficient meetings. The following guidelines have been developed to assist in increasing the effectiveness of meetings:

A. MEETINGS

Meetings of the Board will be held on written notice in accordance with the Articles of the Company. In the event that circumstances require an emergency meeting without formal notice, such meeting will not be considered effective unless and until written waivers of notice have been received by the Secretary from those Directors not in attendance at the meeting.

- There will be a minimum of four (4) Board meetings per year, one of which is to be devoted to strategy and budget;
- An *in-camera* session will be available for all independent Directors at every Board meeting, if requested;
- Committees will meet on an as-needed basis with the exception of the Audit Committee, which will meet a minimum of once per fiscal quarter; and
- The CFO will normally attend Board meetings and other non-directors may, by invitation, attend full meetings or portions of the Board meetings.

Telephone conference meetings shall be considered valid if all Directors in attendance are able to hear each other and participate in the meeting.

B. INFORMATION

Agenda and briefing material, if any, will be delivered to Directors as far in advance of the Board meeting as is practicable.

When advance briefing material is needed and provided it should include all relevant business information to provide a meaningful perspective on the matters to be considered by the Board.

- Minutes of the Board and minutes of Committee meetings will be deposited with the Secretary for filing with the Company's corporate records and minutes or reports of such meetings will be distributed to all Directors;
- Although Directors have access to any employee, it is expected that requests for specific information will be channeled through the CEO; and

C. TRADING BY INSIDERS AND EMPLOYEES

I. POLICY

Trading in the securities of the Company (including dealings with options, futures, rights and all other securities) or the provision to other parties of information to facilitate a possible trade ("tipping") by any person with a "special relationship" to the Company including any director, officer or employee with knowledge of undisclosed material information about the Company is strictly prohibited. In addition, in circumstances where a director, officer or employee becomes aware of undisclosed material information concerning another public company as a result of their employment with the Company, or when a "Black-out Period" is in effect, trading in the securities of such other company is similarly prohibited.

II. PROCEDURE

- (I) It is an offence for any person in a "special relationship" with the Company to trade securities of the Company while in possession of material non-public information that, if made public, could reasonably be expected to cause a significant change in the price of the Company's stock. Persons in a "special relationship" with the Company include all directors, officers and employees of the Company, plus all parties ("tippees") who learn of material information from any director, officer or employee of the Company ("tippers"), where the tippee knows or reasonably ought to have known that the tipper was in a special relationship with the Company. Directors, officers and employees are also deemed to be in a special relationship with another company (and are correspondingly prohibited from trading in the securities of said other company), if they become aware of undisclosed material information concerning the other company as a result of their employment with the Company. Persons covered by this Policy are more precisely defined by the Securities Act and Exchange Regulations.
- (II) Insiders are considered to have a "special relationship" with the Company on an ongoing basis. For the purpose of this Policy, the definition of "Insider" includes all directors, senior officers and greater than 10% shareholders of the Company. In order to prevent insider trading violations or any appearance of impropriety, any Insider that

proposes to make a trade that may be prohibited under this Policy should obtain from the CEO or the CFO a determination as to whether or not the undisclosed information that he or she possesses is material or whether a trade may be made. If any ambiguity exists as to whether or not a director, officer or employee should be permitted to make a trade, the matter should be discussed with the Company's securities counsel.

Insiders of the Company will be required to complete and file an insider trading report within 10 days of the date that such Insider purchased or sold securities of the Company. These reports may be obtained from the CFO or the Corporate Secretary. **Insiders are personally responsible for filing accurate and timely insider trading reports.** Insiders are required to provide a copy of all insider reports to the Corporate Secretary, or other designated person, concurrent with their filing to regulatory authorities. There now exists a web-based on-line filing system for Insider reports (www.sedi.ca). Failure of an Insider to file an insider trading report on a timely basis may result in a fine of up to \$1 million, imprisonment for a term of up to three years, or both. Any questions regarding filing insider trading reports should be taken up with the Corporate Secretary as early as possible.

- (III) **Certain circumstances such as impending release of exploration results or unusual events or results to be disclosed in the financial statements will give rise to periods of time ("Black-out Periods") during which no trading of securities is to take place by directors, officers and employees who are in possession of undisclosed material information ("Restricted Persons").** The imposition of Black-out Periods is to be determined by the CEO or the CFO who will cause the "Restricted Persons" to be informed in a timely manner. The Black-out Period will extend from the time of the announcement of its imposition until one hour after public trading has been allowed. That is, if news causing the Black-out has been released before the start of trading on the Exchange, the Black-out ends one hour after the Exchange is open for trading.
- (IV) Persons involved in the negotiation of material transactions will be held to a higher standard than other Restricted Persons as a result of their more intimate knowledge of a particular transaction. Accordingly, such persons should cease trading in the Company's securities when any material transaction comes under serious negotiation, rather than upon the imposition of a Black-out Period. If any ambiguity exists as to whether or when a transaction has come under "serious negotiation", the matter should be discussed with the Company's securities counsel.
- (V) Breaches of this Policy may constitute violation of securities laws and can cause acute embarrassment to the Company. If the Company discovers that a director, officer or employee has violated applicable securities laws, it will refer the matter to the appropriate regulatory authorities. Disciplinary action may be brought against a party who violates this Policy, which could result in termination of employment with the Company.

9. PROCEDURE FOR REPORTING OF FRAUD OR CONTROL WEAKNESSES

Each employee is expected to report situations in which he or her suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Board of Directors. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Board of Directors.

To facilitate the reporting of suspected fraud, it is the policy of the Board of Directors that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. The current Chair, Mr. Lewis Lawrick can be reached at (416) 864-3357. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. **[Access to the names and places of employment of the Company's Directors and officers can be found on the Company's website.]**

In addition, it is the policy of the Board that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Board anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.