

**HEADWATER EXPLORATION INC.
CHAIR AND CHIEF EXECUTIVE OFFICER POSITION DESCRIPTION**

The following sets forth the terms of reference for the Chair and Chief Executive Officer (the "**Chair and CEO**") of Headwater Exploration Inc. (the "**Headwater**"):

1. **Introduction:** The Chair and CEO is appointed by and reports to the Board of Directors of Headwater (the "**Board**"). The Chair and CEO's primary roles are:
 - (a) managing the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the Mandate of the Board; and
 - (b) to provide leadership for the direction of Headwater in accordance with the objectives and policies established by the Board.

The Chair and CEO works with the Board to develop current and long range objectives, strategies, and policies for Headwater. The Chair and CEO maintains on-going communications with the Lead Independent Director, chairs of other committees of the Board, President Chief Operating Officer ("**President and COO**"), Vice-President, Finance and Chief Financial Officer (the "**CFO**") and with such other officers and employees of Headwater as the Chair and CEO determines appropriate.

2. **Specific Duties and Responsibilities:** The Chair and CEO has the responsibility to:

Manage the Board:

- (a) Chair meetings of the Board, other than in camera sessions which are to be chaired by the Lead Independent Director;
- (b) Set meeting schedules, agendas and related events with input from the President and COO, CFO and other directors;
- (c) Communicate with directors between meetings as deemed appropriate;
- (d) Help appoint committees and attend committee meetings where appropriate;
- (e) Determine Board information packages with management and ensure it meets the needs of the Board;
- (f) Assist in determining director compensation;

Develop and Maintain an Effective Board:

- (g) Ensure Board member contribution;
- (h) Encourage the "independent" Board members to meet in separate, regularly scheduled, non-management, closed sessions, including, where appropriate, with internal personnel or outside advisors;
- (i) Plan Board composition, succession, and recruitment;
- (j) Engage the Board effectively in the affairs of Headwater;
- (k) Assess the Board effectiveness;

- (l) Assist the Board in understanding its obligations pursuant to law;
- (m) Ensure the responsibilities of the Board, as set out in the Mandate of the Board are well understood by the members of the Board and are discharged as effectively as possible;

Provide Leadership and Oversee Management:

- (n) Provide overall vision and leadership for the long term success of Headwater;
- (o) Develop a strong organization, in conjunction with the President and COO, and CFO to ensure the proper people are in the appropriate positions;
- (p) Provide leadership to the President and COO and other executive officers with respect to personal ethics, integrity, planning, development, and operational effectiveness;
- (q) Set the long term objectives and business plan strategies of Headwater, which are reviewed and approved by the Board;
- (r) Monitor Headwater's progress towards achieving its long-term objectives and carrying out its business plan, assess the need to revise and/or alter the management of Headwater's operations, and keep the Board informed of Headwater's progress and/or need to alter or revise the operations of Headwater;
- (s) Monitor and communicate overall human resources policies and procedures, including senior management compensation and succession planning, to the Board;
- (t) Assist the President and COO in the development of human resources policies and procedures, including staff succession and development plans;
- (u) Help define and resolve issues as required by the President and COO, and CFO or other senior management;
- (v) Provide support with developing and maintaining a strong corporate culture;
- (w) Represent the Board to management and vice versa;
- (x) Communication, in a timely fashion, with the Board on material matters affecting Headwater;
- (y) Approve corporate commitments within the limits of delegated approval authorities;
- (z) Assist the President and COO, and CFO in identifying the principal risks of Headwater's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
- (aa) Ensure appropriate policies and procedures of Headwater are developed and disclosed;
- (bb) Provide appropriate certifications regarding Headwater and its activities, as may be required from time to time;
- (cc) Institute and monitor processes and systems designed to ensure compliance with applicable laws by Headwater and its officers and employees;

Manage Stakeholder Relations:

- (dd) Chair annual and special meetings of the shareholders;
 - (ee) Manage relationships, together with the President and COO, CFO and other management, as the case may be, with all Headwater external stakeholders;
 - (ff) Meet with major shareholders, potential investors, financial analysts and the media; and
 - (gg) As requested by the President and COO and/or CFO, meet with financial institutions.
3. **Delegation:** Unless otherwise directed or required by the Board or applicable law and regulations, the Chair and CEO may delegate his duties to, and receive reports and recommendations from, any officer of the Corporation.