



COMPENSATION AND NOMINATING COMMITTEE

Terms of Reference and Mandate

A. INTRODUCTION

The board of directors (the “**Board**”) of Iberian Minerals Corp.(the “**Corporation**”) has established the Compensation and Nominating Committee (the “**Committee**”) to assist the Board in fulfilling its corporate governance and oversight responsibilities with respect to (i) developing, monitoring and assessing the Corporation’s approach to the compensation of its directors, senior officers and employees and (ii) monitoring and assessing the size and composition of the Corporation’s Board and committees thereof.

Other than a fee for being on the Committee and the flat annual fee associated with directorship, no Member will receive any compensation from the Corporation. In addition to the foregoing, the Committee will perform such other duties as may be required by any applicable stock exchanges, regulatory authorities or legislation.

B. COMPOSITION

1. The Committee shall at all times be composed of a minimum of three individuals (the “**Members**”).
2. Each Member shall be a director of the Corporation.
3. The Committee shall use its best efforts to ensure that each of the Members is independent in accordance with all applicable laws and regulations, including the applicable securities laws of Canada and any regulations and policies of any stock exchange on which the Company’s securities are listed or quoted. In general terms, however, a Member will be considered independent if they have no direct or indirect relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Member’s independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.
4. Members shall be appointed by the Board and shall serve until they resign, cease to be a director of the Corporation or are removed or replaced by the Board.
5. The Board shall designate one of the Members as chair of the Committee (the “**Chair**”) or, if it does not do so, the members of the Committee may elect a Chair by vote of a

majority of the full Committee membership. The chair of the Committee shall be responsible for overseeing the performance by the Committee of its duties, for assessing the effectiveness of the Committee and individual Committee members and for reporting periodically to the Board.

6. The Secretary of the Corporation shall be secretary of the Committee (the “**Secretary**”) unless the Chair designates an alternative secretary for any meeting or meetings.

C. COMMITTEE FUNCTION AND PROCESS

The Committee will meet at least once a year and meetings will be scheduled to facilitate the Committee carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Committee Chair. Any member of the Committee may request a meeting of the Committee. Any director of the Corporation may request the chairman of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the chairman of the Committee.

Meetings of the Committee shall be validly constituted if a majority of the members of the Committee is present in person or by telephone conference.

D. COMMITTEE CHARTER

The Committee shall have a written charter that sets out its mandate and responsibilities and the Committee shall review and assess the adequacy of such charter and the effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board for its approval. Unless and until replaced or amended, this mandate constitutes that charter.

E. RESPONSIBILITIES

1. **Compensation.** The Committee shall have the following duties and responsibilities with respect to compensation of the Corporation’s directors, senior officers and employees:
 - (a) Review the compensation practices and policies of the Corporation to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value.
 - (b) Oversee the administration of the Corporation’s compensation programs, and review and approve the employees who receive compensation and the nature of the compensation provided under such programs, and to ensure that all management compensation programs are linked to meaningful and measurable performance targets.
 - (c) Make recommendations to the Board regarding the adoption, amendment or termination of compensation programs and the approval of the adoption, amendment and termination of compensation programs of the Corporation, including for greater certainty, ensuring that if any equity-based compensation plan is subject to shareholder approval, that such approval is sought.
 - (d) Periodically survey the executive compensation practices of other comparable companies.

- (e) Establish and ensure the satisfaction of performance goals for performance-based compensation.
 - (f) Annually review and approve the annual base salary and bonus targets for the senior executives of the Corporation, other than the Chief Executive Officer (the “CEO”).
 - (g) Review and approve annual corporate goals and objectives for the CEO and evaluate the CEO’s performance against such goals and objectives.
 - (h) Annually review and approve, based on the Committee’s evaluation of the CEO, the CEO’s annual base salary, the CEO’s bonus and any stock option grants and other awards to the CEO under the Corporation’s compensation programs. In determining the CEO’s compensation, the Committee will consider the Corporation’s performance and relative shareholder return, the compensation of CEOs at other companies and the CEO’s compensation in past years.
 - (i) Review the annual report on executive compensation required to be prepared under applicable corporate and securities legislation and regulation including the disclosure concerning members of the Committee and settling the reports required to be made by the Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.
2. **Nominations.** The Committee shall have the power and authority of the Board to perform the following duties and fulfill the following responsibilities relating to the nomination of directors:
- (a) Adopt a process to determine what competencies and skills the Board, as a whole, should possess given the nature of the business of the Corporation.
 - (b) Assess the competencies and skills of each existing director, with a view to assessing the Board as a whole for the purpose of, in part, facilitating effective decision making by the Board.
 - (c) Determine the appropriate size of the Board with a view to effective decision-making.
 - (d) Identify and recommend qualified individuals to become new members of the Board, giving due consideration to:
 - (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
 - (ii) the competencies and skills that the Board considers each existing director to possess; and
 - (iii) the competencies and skills each new nominee will bring to the Board.
 - (e) Recommend the slate of directors to be nominated for election at the annual meeting of shareholders.
 - (f) Consider such other matters and questions relating to the nomination of directors as the Board may from time to time see fit to refer to the Committee.

F. AUTHORITY TO ENGAGE OUTSIDE ADVISORS

In fulfilling their Committee responsibilities, Committee members shall, and shall be entitled to, communicate directly with the Corporation's external auditors and external counsel, as well as other professional advisors to the Corporation, as required and shall be entitled, at the expense of the Corporation, to retain independent counsel and other advisors as it determines necessary to carry out its duties.