

Cadence Resources Corporation

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

ARTICLE I

PURPOSES

The Nominating and Corporate Governance Committee (the “Committee”):

- (a) Will identify and recommend to the Board of Directors qualified candidates for nomination as members of the Board of Directors and its committees;
- (b) Will receive and respond to complaints about the Corporation’s governance, other than matters relating to accounting or auditing matters, which shall be referred to the Audit Committee;
- (c) Will oversee compliance with the Corporation’s Code of Conduct and Ethics;
- (d) Will develop and recommend to the Board of Directors a policy dealing with communications between the stockholders and the Board of Directors;
- (e) Will recommend to the Board of Directors changes to this Charter and other corporate governance principles applicable to the Corporation on an as-needed basis; and
- (f) Will perform an evaluation of the Board of Directors , individually and as a group, and of the President.

ARTICLE II

COMPOSITION OF THE COMMITTEE

Section 1. Number. The Committee will consist of three or more directors.

Section 2. Appointment and Removal. The members of the Committee shall be appointed by the Board of Directors. Except for the initial members of the Committee appointed by Board resolution on December 5, 2005, nominations for members of the Committee shall be submitted by the Nominating Committee to the Board of Directors.

Each Committee member shall serve until the Committee member’s successor is duly elected and qualified, or until the member’s earlier resignation or removal, except that in the case of a Committee member who is not an independent director as provided in Section 121A of the American Stock Exchange (“AMEX”) Corporate Governance Rules, that Committee member shall not serve in excess of two years, unless the person becomes an independent director during the intervening time frame.

The members of the Committee may be removed with or without cause by a majority vote of the Board of Directors.

Section 3. Qualifications. The Committee shall consist of directors who have been determined by the Board of Directors to be independent directors as defined under Section 121A of the AMEX Corporate Governance Rules, provided however, that one person who is not independent as defined in Section 121A of the AMEX Corporate Governance Rules may be appointed to the Committee if the person is not a current officer or employee of the Corporation, or an immediate family member of a current officer or employee of the Corporation, and only if the Board of Directors determines that the appointment of the person is required by the best interests of the Corporation and its shareholders due to exceptional and limited circumstances. If a person who is not an independent director is appointed to the Committee, the Corporation shall, in the next annual meeting proxy statement, disclose the nature of the

relationship of the person with the Corporation, and the reasons for the determination that exceptional and limited circumstances exist that require appointment of the person for the best interests of the Corporation.

Section 4. Chairperson. The Committee shall appoint one member of the Committee to serve as chairperson. The chairperson must be an independent director as defined in Section 121A of the AMEX Corporate Governance Rules. The chairperson is responsible for leadership of the Committee, including scheduling meetings, overseeing the agenda, presiding over the meetings, and reporting to the Board of Directors.

Section 5. Subcommittees. The Committee may form and delegate authority to subcommittees when appropriate, provided that any subcommittee shall be comprised exclusively of independent directors as defined in Section 121A of the AMEX Corporate Governance Rules.

ARTICLE III

MEETINGS OF THE COMMITTEE

Section 1. Frequency. The Committee shall meet from time to time as necessary to carry out its responsibilities, at least once per year.

Section 2. Quorum and Voting. A majority of the members of the Committee shall constitute a quorum of the Committee. A majority of the members in attendance shall decide any question brought before any meeting of the Committee.

Section 3. Guests. The Committee shall meet at least once annually in an executive session to finalize the nominations to be submitted to the Board of Directors. Other than meetings in executive session, the Committee may invite to its meetings any director, any member of management of the Corporation, and any other persons it deems appropriate in order to carry out its responsibilities.

ARTICLE IV

CRITERIA FOR DIRECTORS

Section 1. Independence. At least a majority of the directors shall be independent directors as defined under Section 121A of the AMEX Corporate Governance Rules.

Section 2. Qualifications of Director Candidates. The following characteristics are to be considered in evaluating nominees for director:

- (a) Professional and personal ethics and integrity;
- (b) Ability to devote sufficient attention to Board duties;
- (c) Business, professional or industry knowledge or contacts;
- (d) Business and financial sophistication, common sense and wisdom, and the ability to make informed judgments on a wide range of issues;
- (e) Relevant skills and experience demonstrated through business, professional, charitable or civic affairs; and
- (f) The ability to exercise independent judgment.

These characteristics shall be considered in evaluating potential nominees, which in the case of incumbents shall also include the degree to which they have already evidenced such characteristics.

Section 3. Performance Expectations. The Board of Directors expects each of its members to:

- (a) Prepare for, regularly attend, and actively participate in all scheduled and special meetings of the Board of Directors and each committee on which the director serves;
- (b) Offer insight, support and advice to management in the director's area of expertise;
- (c) Ask appropriate questions and maintain focus on the Board of Directors' agenda;
- (d) Understand the Corporation's business, finances and strategies;
- (e) Positively interact with the Corporation's directors and officers;
- (f) Act in the best interests of the Corporation and its stockholders, and follow the Corporation's applicable ethics codes; and
- (g) Pursue and attend continuing director education as appropriate.

These factors shall be considered in evaluating potential nominees, which in the case of incumbents shall also include the degree in which they have already evidenced compliance with these behaviors.

Section 4. Evaluation of Overall Board Needs. The Board of Directors believes its effectiveness will be enhanced by having a group of directors with a range of relevant business and other experience, a diversity of perspectives and the personal characteristics, commitment and experience to participate actively in the Board process. The Board of Directors also believes that continuity in leadership and Board and Committee tenure will maximize the Board of Directors' ability to exercise meaningful Board oversight. In considering the potential nominee slate (including incumbent directors) there shall be taken into account:

- (a) The benefits of incumbency as noted above and below;
- (b) Any perceived needs of the Board of Directors, any Committee or the Corporation at the time for business contacts, skills or experience or other particular desirable personal characteristics;
- (c) The collegiality of Board members;
- (d) The need for independent directors or financial experts under any Committee Charter, the AMEX Corporate Governance Rules, or applicable law for the Board of Directors or its Committees; and
- (e) Any other requirements of applicable law.

Section 5. Incumbency. The Board of Directors believes qualified incumbent directors are generally uniquely positioned to provide the benefit of continuity of leadership and seasoned judgment gained through experience as a director of the Corporation. The value of these benefits may outweigh many other factors. Therefore, it is expected that incumbent directors will generally be considered for re-nomination; provided that they continue to satisfy the applicable personal characteristic criteria and performance expectations outlined above. However, eligible incumbent directors need not necessarily be nominated for re-election.

ARTICLE V

RESPONSIBILITIES OF THE COMMITTEE

Section 1. Nominating Responsibilities. The Committee's primary duties and responsibilities with respect to nominations are as follows:

(a) Establish and periodically reevaluate criteria for Board membership and selection of new directors, including independence standards and the necessary portfolio of skills, experience, perspective and background required for the effective functioning of the Board taking into account all applicable laws, rules, regulations, and listing standards;

(b) Search for, recruit, screen, interview and select qualified director candidates to fill vacancies on the Board of Directors;

(c) Evaluate the qualifications and performance of incumbent directors and determine whether to recommend them for reelection to the Board of Directors;

(d) Recommend to the Board of Directors nominees to fill any vacancies on the Board of Directors as they occur;

(e) Recommend to the Board of Directors annually in advance of the annual meeting of the shareholders, a slate of nominees to be submitted to the shareholders for election or reelection as directors at the annual meeting;

(f) Recommend to the Board of Directors nominees to serve on the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, subject to the right of the Board of Directors to accept or decline these recommendations;

(g) Review, evaluate and periodically make recommendations to the Board of Directors with respect to the size of the Board of Directors;

(h) Review and make recommendations to the Board of Directors regarding the structure and duties of Board committees including, without limitation: (i) evaluating the duties and powers of Board committees in light of the Corporation's existing and planned objectives; and (ii) considering whether there should be a policy of periodic rotation of directors among Committees;

(i) Recommend to the Board of Directors the removal of a director from the Board of Directors or as a Committee member, as appropriate;

(j) Evaluate the orientation and training needs of directors, develop proposed continuing education programs for directors, monitor the implementation and efficacy of continuing education for directors, and make recommendations to the Board of Directors with respect to continuing education where appropriate;

(k) Review and approve, prior to acceptance, the service of any director or executive officer of the Corporation on any other public company board of directors;

(l) Perform an annual evaluation of the performance and effectiveness of the Board of Directors ; and

(m) Evaluate the material relationships between the Corporation and each director for purposes of determining the suitability of the director to continue to serve as a director, and for determining whether each director meets the applicable criteria to be characterized as an independent director.

The Board of Directors is not required to follow the recommendations of the Committee. The Board of Directors may ask the Committee to propose new or alternative nominees for the Board's consideration.

Section 2. Limitation on the Nominating Authority of the Committee. To the extent that the Corporation is a party to a voting agreement that provides for a different procedure for nominations to the

Board than that provided in Section 1 of this Article, the requirements of the voting agreement shall prevail. In connection with the merger of Aurora Energy, Ltd. with the Corporation, the Corporation entered into voting agreements with a number of the key shareholders requiring them to vote in favor of directors designated by William W. Deneau, through October 31, 2008. The number of shares subject to these voting agreements is 22,740,830. Accordingly, during the time that these voting agreements are in effect, the Nominating Committee shall provide its recommendations to William W. Deneau for his approval prior to submitting them to the Board of Directors.

Section 3. Corporate Governance Responsibilities. The Committee's primary duties and responsibilities with respect to corporate governance are as follows:

(a) Receive, investigate and respond to complaints under the Corporation's Whistle Blower Policy, except that it shall refer to the Audit Committee any complaints relating to accounting or auditing matters;

(b) Annually re-evaluate the corporate governance principles applicable to the Corporation, and make recommendations to the Board of Directors regarding corporate governance matters and practices;

(c) Oversee the Corporation's Code of Conduct and Ethics including: (i) review and periodically recommend to the Board of Directors updates to the Code of Conduct and Ethics; (ii) oversee and evaluate compliance by the Board of Directors and management with the Corporation's corporate governance principles and its Code of Conduct and Ethics; and (iii) approve all related party transactions between the Corporation and its management and directors in accordance with the AMEX Corporate Governance Rules; and

(d) At least annually, convene a meeting of all of the Corporation's independent directors in executive session without the presence of non-independent directors and management.

Section 4. Other. The Committee shall perform any other activities consistent with this Charter, the Corporation's Articles of Incorporation and the Corporation's Bylaws as this Committee or the Board of Directors may deem necessary, advisable or appropriate for the Committee to perform its functions in the areas of nominations and corporate governance.

ARTICLE VI

STOCKHOLDER PARTICIPATION

Section 1. Policy. The Committee shall develop, periodically review, and recommend to the Board of Directors a Stockholder Communications with Directors Policy.

Section 2. Process for Identifying and Evaluating Candidates for Directors Recommended by Stockholders. The Committee will accept recommendations for potential nominees for director from stockholders of the Corporation. Anyone wishing to recommend an individual for the Board of Directors should forward the name, address and biographical information of a potential nominee to the Nominating and Corporate Governance Committee of the Board of Directors of Cadence Resources Corporation, c/o Cadence Resources Corporation, 4110 Copper Ridge Drive, Suite 100, Traverse City, Michigan 49684. The stockholder must submit in writing to the Committee the recommended candidate's name, a brief resume setting forth the recommended candidate's business and educational background and qualifications for service, any other information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors, or as otherwise required, in each case pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, and a notarized consent signed by the recommended candidate stating the recommended candidate's willingness to be nominated and to serve. Potential director nominees submitted by stockholders of the Corporation will not be considered by the Committee if they are not timely submitted in accordance with the Corporation's proxy statements. (These timing requirements are not applicable to persons nominated by or at the direction of the Board of Directors.) If the Committee chooses to consider any nominee recommended by a stockholder, the Committee will evaluate the potential nominee by personal interview. The interview will be conducted by

one or more members of the Committee and/or any other method the Committee deems appropriate, which may, but need not, include a questionnaire. The Committee may solicit or receive information concerning potential nominees from any source it deems appropriate. The Committee need not engage in an evaluation process with respect to a proposed nominee unless: (i) there is a vacancy on the Board of Directors; (ii) a director is not standing for re-election; (iii) the Committee does not intend to recommend the nomination of a sitting director for re-election; or (iv) there is an increase in the number of directors to be elected.

Section 3. Stockholder Communications. The Board of Directors encourages the Corporation's stockholders to send any concerns or comments they might have relating to the Corporation to the address indicated in Section 1 of this Article. The Board of Directors encourages all directors to attend the Corporation's annual meeting so that each director may listen to any concerns that stockholders may have that are raised at an annual meeting. Lack of attendance at annual meetings without a valid excuse will be considered by the Committee when determining those Board members who will be recommended to the Board of Directors for re-election.

ARTICLE VII

COMMITTEE RESOURCES

The Committee will have the authority to the extent it deems necessary or appropriate, or as directed by the Board of Directors, to retain a search firm to assist in identifying director candidates, and to retain outside counsel and other advisors as the Committee may deem appropriate in its sole discretion. The fees incurred for such services shall be paid for by the Corporation.

ARTICLE VIII

REPORTS AND PERFORMANCE REVIEW

The Committee shall report its actions and any recommendations to the Board of Directors after each Committee meeting and shall conduct and present to the Board of Directors an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.

ARTICLE VI

DISCLOSURE OF CHARTER

This Charter will be made available on the Corporation's website, in its annual report or other public medium as appropriate.

Adopted by resolution of the Board of Directors of Cadence Resources Corporation
Date: February 10, 2006.