

I. GENERAL

The primary functions of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Allied Nevada Gold Corp. (the "Company") are to review and recommend compensation policies and programs, as well as salary and benefit levels for Company executives, to the Board for its approval and implementation. Nothing herein is intended to expand applicable standards of liability under U.S. or Canadian law for directors of a corporation.

II. COMPOSITION AND QUALIFICATIONS

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under U.S. and Canadian law and regulations and under the rules of the American Stock Exchange ("AMEX"), the Toronto Stock Exchange ("TSX") or any other applicable regulatory authority.

III. APPOINTMENT AND REMOVAL

The members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The Board may remove the members of the Committee, with or without cause, by a majority vote of the Board. Any vacancy in the Committee occurring for any cause may be filled by a majority vote of the Board then in office. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

IV. DUTIES AND RESPONSIBILITIES

The duties of the Committee are as follows:

1. Discharge the Board's responsibilities to the shareholders, potential shareholders and investment community relating to the compensation of the Company's executive officers.
2. Review and approve corporate goals and objectives relevant to the compensation of the chief executive officer and other executive officers to ensure that such compensation goals and objectives are aligned with the Company's objectives and shareholder interests.
3. Review and evaluate the performance of the chief executive officer and other executive officers and other key employees of the Company in light of the goals and objectives of the Company and shareholder interests, and either as a committee or together with the other independent directors (as directed by the Board) determine and approve their annual compensation packages, including base salaries, stock options and other stock-based incentives, variable pay amounts and variable pay metrics, based on these evaluations and in accordance with the terms of the Company's incentive compensation programs, including the Company's stock option plan. The chief executive officer may not be present during voting or deliberations concerning his or her compensation.
4. Monitor the effectiveness of benefit plan offerings and approve changes where appropriate.
5. Review executive compensation disclosure before the Company publicly discloses this information. Prepare an annual report on executive compensation containing a discussion and analysis to be included in the annual Compensation Discussion and Analysis ("CD&A"), for inclusion in the Company's annual proxy statement or annual report on Form 10-K, as required by the rules of the U.S. Securities and Exchange Commission, AMEX, TSX or any other securities regulatory authority. Oversee the drafting of the CD&A and prepare and sign the related compensation committee report.
6. Review and evaluate all compensation plans at least annually and make recommendations to the Board as appropriate.
7. Review and approve, or recommend to the Board, non-chief executive officer compensation, executive incentive compensation plans and equity-based plans in which executive officers and members of the Board are eligible to participate or any amendments or modifications to such compensation or plans.



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8. Supervise and oversee the administration of the Company's incentive compensation, variable pay and stock programs.
9. Review and act upon management proposals to (i) designate key employees to incentive compensation programs; and (ii) approve additional benefit plans.
10. Recommend to the Board compensation for non-employee directors.
11. Have sole authority to retain and terminate executive compensation consultants, including sole authority to determine the fees and other terms of their engagements, to advise on the evaluation and compensation of members of the Board, the chief executive officer and other executive officers of the Company.
12. Review and approve Company policies and procedures regarding executives' expense accounts and other perquisites.
13. Review and approve all severance or similar compensation proposed to be made to any current or former executive officer of the Company.
14. Have authority to delegate any or all of its responsibilities to a subcommittee of the Committee, as permitted by the laws and regulations that govern its actions.
15. Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to those matters that are relevant to the Committee's discharge of its responsibilities, and (iii) with respect to those recommendations that the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make such report.
16. Perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess periodically the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such other evaluations and reviews in the manner it deems appropriate.