



EUROMAX RESOURCES LTD.

(THE “COMPANY”)

MANDATE OF THE BOARD OF DIRECTORS

(adopted 24 August 2015, reaffirmed 20 June 2019)

1. Introduction

The board of directors (the **Board**) of the Company has adopted this mandate to assist it in fulfilling its fiduciary duties and other responsibilities for the stewardship and supervision of the business and affairs of the Company with a view to preserving and enhancing the business and underlying value of the Company.

2. Structure and Organization

The Board shall be composed of not less than three directors and shall be constituted with at least as many individuals who qualify as independent directors (as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*) as executive directors.

The Board shall be composed of directors elected by shareholders at the annual general meeting of the Company (the AGM), and directors appointed by the Board between AGMs in accordance with the Company’s Articles of Incorporation and applicable law. The Board shall appoint or reappoint, at the meeting of the Board immediately following the AGM, a chairperson from among their number.

Meetings of the Board shall be held at least four times a year, one in each fiscal quarter, in person or by telephone, provided that due notice is given and a quorum of a majority of the members is present. Where a meeting is not possible, resolutions in writing which are signed by the members of the Board, in accordance with applicable corporate law, are as valid as if they had been passed at a duly held meeting. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time.

3. Board Independence

The Board’s responsibility for managing the Company includes oversight of management and in that regard the independent directors provide an important function. All Board committees will be comprised at all times of only independent directors (as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*).

4. Duties and Responsibilities

As part of the Board’s overall responsibility for the stewardship of the Company, its principal duties include, but shall not be limited to, the following:

4.1. Managing the Affairs of the Board

- a. The Board may form and delegate certain responsibilities to committees of the Board to the extent such delegation is permitted by law. However, the Board shall retain its oversight function and ultimate responsibility for all delegated responsibilities. All matters recommended by individual committees only take full force and effect once reviewed and approved by the Board. The Company currently has the following committees:
 - i. *Audit Committee* to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls, as well as to review and report to the Board on the integrity of the financial statements of the Company and its subsidiaries; and
 - ii. *Compensation Committee* to make recommendations to the Board on the compensation, recruitment, retention, termination and incentive policies and procedures for the executive directors and officers and to administer the Company's equity based compensation plans.
 - iii. *Technical Committee* to establish the Company's project governance and reporting framework for the Ilovica Project, review the progress of the Ilovica Project and make recommendations to the Board on technical and permitting matters.
- b. The Board shall respond to recommendations received from any of its committees, but shall retain the responsibility for managing its own affairs by approving the following:
 - i. its composition, to ensure that it facilitates effective decision-making;
 - ii. the candidates nominated for election, by considering what competencies and skills the Board, as a whole, should possess;
 - iii. appointments to committees;
 - iv. the selection of the chairpersons of the Board and its committees;
 - v. the compensation of the non-executive directors; and
 - vi. the adoption and implementation of committee charters.
- c. The Board shall ensure that the independent directors meet regularly without executive directors and management present.

4.2. Oversight of Management

- a. The Board has the responsibility for approving the appointment of the President & Chief Executive Officer (**CEO**) and all other officers and senior management, and approving their compensation.
- b. To the extent possible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and ensure that they create a culture of integrity throughout the Company.
- c. Subject to its ongoing oversight, the Board has delegated authority to the CEO for the overall management of the Company, including strategy and operations, to ensure the long term success of the Company and to maximize shareholder value.
- d. The Board may from time to time delegate authority to other officers, subject to specified limits.
- e. Review and prior approval by the Board shall be required for all material transactions in which the Company is involved including, without limitation, the acquisition or disposition by the Company of significant assets and properties, the issuance of securities and any matters that are outside the scope of authority delegated to officers.

4.3. Monitoring of Financial Performance and Other Financial Reporting Matters

The Board shall be responsible for the following:

- a. Reviewing, at least annually, the Company's strategic business plan proposed by management, and to adopt the plan with such changes as the Board deems appropriate;
- b. Ensuring that management has undertaken to identify the principal risks of the Company's business and overseeing the implementation of appropriate systems to manage these risks including, insurance coverage, conduct of material litigation and the effectiveness of internal controls;
- c. Ensuring that policies are in place to satisfy itself as to the Company's internal control and management information systems and its financial reporting;
- d. Reviewing and upon the recommendations of the Audit Committee, approving the audited financial statements and notes thereto, and other related filings; and
- e. Reviewing and approving those matters which the Board is required to approve under its governing legislation and documents, including the payment of distributions and material expenditures.

4.4. Policies and Procedures

- a. Approving policies and procedures designed to ensure that the Company operates within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting and ensuring compliance with a written Code of Business Conduct and ethics which is applicable to directors, officers, employees and consultants of the Company and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- b. Developing the Company's approach to corporate governance, including developing corporate governance guidelines for the Company and approving and monitoring compliance with all significant policies and procedures related to corporate governance.

4.5. Communications and Reporting

- a. The Board shall adopt a Disclosure Policy for the Company to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- b. The Board is responsible for:
 - i. Overseeing the accurate reporting of the financial performance of the Company to shareholders, other security holders and regulators on a timely and regular basis;
 - ii. Overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
 - iii. Taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Company;
 - iv. Reporting annually to shareholders on its stewardship for the preceding year; and
 - v. Overseeing the Company's implementation of systems which accommodate feedback from stakeholders.

5. Specific Duties of Directors

The following expectations and responsibilities are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities:

- a. Assuming a stewardship role and overseeing the management of the affairs of the Company;
- b. Maintaining a clear understanding of the Company, including:
 - i. its strategic and financial plans and objectives;
 - ii. emerging trends and issues;
 - iii. significant strategic initiatives;
 - iv. capital allocations and expenditures;
 - v. principal business risks and management of such risks;
 - vi. internal systems, processes and controls;
 - vii. compliance with applicable laws and regulations; and
 - viii. governance, audit and accounting principles and practices.
- c. Preparing for each Board and committee meeting by reviewing materials provided and requesting where appropriate, information that will allow the director to properly participate in the deliberations, make informed business judgments and exercise oversight;
- d. Attending every Board and committee meeting, and actively participating in deliberations and decisions. When attendance is not possible, a director should become familiar with the matters covered at the meeting;
- e. Voting on all decisions of the Board or its committees, except when a conflict of interest may exist;
- f. Preventing personal interest from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such conflicting interests should they arrive; and
- g. Acting in the highest ethical manner and with integrity in all professional dealings.

6. Majority Voting

In a movement aimed at providing the most fair and unbiased election of directors to the Board, the Company has chosen to adopt a majority voting policy that will apply to future nominees for election to the Board in uncontested elections. Future nominees for election to the Board will be required to confirm that they will abide by this policy.

Applicable laws require that forms of proxy for the election of directors permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. In uncontested elections of directors at duly called meetings of shareholders, any director nominee who receives a greater number of "Withhold" votes than "For" votes will be considered by the Board not to have received the support of shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to immediately tender his or her resignation to the Chair of the Board. The Chair of the Board will immediately refer the resignation to the directors who did not receive a majority Withhold vote, who shall review the resignations and recommend a course of action to the full Board.

7. Contact Board

The Board welcomes input and comments from shareholders of the Company. You may contact one or more members of the Board or its committees, by writing to the Company at:

Euromax Resources Ltd.

C/O Euromax Resources UK (Services) Limited

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This Mandate will be reviewed annually to reassess its adequacy and any recommended changes will be submitted to the Board for approval.