



## **HARTE GOLD CORP.**

### **BOARD OF DIRECTORS MANDATE**

---

The board of directors (the “**Board**”) of Harte Gold Corp. (“**Harte Gold**” or the “**Company**”) is responsible for the overall stewardship of the conduct of the business of the Company and discharges this responsibility by developing and determining policies by which the business and affairs of the Company are to be managed and by overseeing the management of the Company. The Board delegates the responsibility for day to day operations to the Chief Executive Officer (“**CEO**”) and the management team.

#### **MEMBERSHIP**

The Board is elected by the shareholders at each annual meeting of shareholders of the Company.

#### **Membership Criteria and Board Succession**

The Nominating, Compensation and Governance Committee is responsible for maintaining a Board succession plan that is responsive to the needs of Harte Gold and the interests of its shareholders.

Candidates are initially considered and recommended by the Nominating, Compensation and Governance Committee then approved by the entire Board and elected annually by the Company’s shareholders.

Candidates will be identified based on the current composition of the Board, including the diversity of its membership and the competencies and skills that it possesses as a whole and the competencies and skills the candidate would bring to the Board. The nominee’s integrity, reputation and accomplishments and the ability of the candidate to contribute to effective oversight of the management of the Company will also be considered.

The Board will maintain a Majority Voting Policy to reflect the importance of all directors having the confidence and support of the Company’s shareholders.

#### **Director Independence**

The Board shall endeavour to ensure that it is comprised of a majority of directors who are “independent”, as determined by the Board in accordance with applicable securities laws and stock exchange rules. Generally, an independent director means a director who has no direct or indirect material relationship with the Company. For these purposes, “material relationship” means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment.

Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board’s determination as to their independence.

The Board will review the independence of all directors on an annual basis and will disclose its determinations in the Company's management information circular.

### **Chair**

Each year, the Board will elect a Chair from among its members. The Board has developed a Mandate for the Board Chair which shall be reviewed at least annually by the Nominating, Compensation and Governance Committee and the Board.

## **MEETINGS**

### **Scheduling**

Board meetings are scheduled in advance at appropriate intervals throughout the year, with at least one meeting being held each quarter. The Board will hold such additional meetings as may be necessary to carry out its duties effectively. At least once a year, the Board will hold a meeting dedicated to strategic planning.

The Board may also take action from time to time by unanimous written consent. A Board meeting may be called by the Board Chair, the CEO or any director.

### **Notice**

Notice of the time and place of each meeting of the Board must be given to each director either by personal delivery, electronic mail, facsimile or other electronic means not less than 48 hours before the time of the meeting. Board meetings may be held at any time without notice if all of the directors have waived or are deemed to have waived notice of the meeting. A director participating in a Board or committee meeting is deemed to have waived notice of the meeting.

### **Agenda**

The Board Chair shall establish the agenda for each Board meeting in consultation with the CEO. The agenda will be distributed to directors in advance of each Board meeting to allow the Board members sufficient time to review and consider the matters to be discussed. Each Board member is free to request the inclusion of other agenda items, request the presence of, or a report by, any member of management and/or request the consideration of matters that are not on the agenda for that meeting, although voting on matters so raised may be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter.

### **In-Camera Sessions**

Independent directors will meet without management present at every Board meeting and at such other times as they may determine appropriate. The Board Chair will inform the CEO of the substance of these meetings to the extent that action is required by management.

### **Distribution of Information**

Information and data that are important to the Board's understanding of the business to be conducted at a Board meeting will normally be distributed to the directors reasonably in advance of the meeting or as soon as possible.

### **Attendance**

A director who is unable to attend a Board meeting in person may participate by telephone or teleconference.

### **Quorum**

The quorum for any Board meeting is a majority of directors.

## **RESPONSIBILITIES, DUTIES & POWERS**

The fundamental responsibility of the Board is the stewardship of the business and affairs of Harte Gold with a view to enhancing and preserving long-term shareholder value while ensuring that the Company conducts its business and affairs ethically and in accordance with corporate governance practices determined by the Board to be appropriate.

### **Legal Obligations**

The Board is responsible for acting in accordance with the obligations contained in the Business Corporations Act (Ontario) and any other applicable laws. Among other things, the Board is required to act honestly and in good faith with a view to the best interests of the Company; supervise the management of the business and affairs of the Company; exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and exercise independent judgment.

### **Strategic Planning**

The Board is responsible for adopting a strategic planning process, approving annual strategic plans which take into account, among other things, the risks and opportunities of Harte Gold's business and affairs and will, during the course of the year, monitor the Company's performance against those plans.

### **Risk Management**

The Board is responsible for establishing the appropriate risk appetite for the Company and ensuring that the principal risks of the Company's business, including, but not limited to, environmental, operating, political, financial, geological, legal and regulatory risks, are identified, assessed and understood by the Board and management and that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of Harte Gold.

The Board shall, in fulfilling this responsibility, review the Company's enterprise risk management program on at least an annual basis, including its risk management practices and the guidelines, policies and processes underlying such enterprise risk management program.

### **Appointment and Supervision of Management and Succession Planning**

The Board, with the participation and recommendations of the Nominating, Compensation and Governance Committee, is responsible for:

- the selection, appointment, evaluation and, if necessary, the termination of the CEO and will, with respect to other officers of the Company, review and approve the CEO's recommendations with respect to the appointment and termination of such officers;

- satisfying itself of the integrity of the CEO and other officers of the Company and satisfying itself that the CEO and management create a culture of integrity throughout the organization;
- developing corporate goals and objectives for the CEO and other officers and then monitoring and assessing the performance of the CEO and other officers against such corporate goals and objectives;
- setting the compensation of the CEO and other officers;
- providing advice and counsel to the CEO in the execution of his or her duties; and
- overseeing the human resources policies of the Company and ensuring adequate provision has been made to train and develop management and that management succession plans are in place.

### **Annual Budget & Expenditures**

The Board will (a) adopt an annual budget and plan (b) approve all major expenditures, projects, acquisitions, dispositions and changes in operating policies and organizational structures; (c) approve all capital budgets not included in the annual budget and above set authorization limits; and (d) approve all financing arrangements, including guarantees adopted and other significant obligations incurred by the Company.

### **Corporate Governance, Social Responsibility, Ethics and Integrity**

The Board believes that having established corporate governance practices, as determined by the Board as being appropriate for Harte Gold, is essential to the well-being of the Company and the promotion and protection of its shareholders' interests.

The Board is responsible for developing Harte Gold's approach to corporate governance, including developing a set of corporate governance principles and guidelines. The Board oversees the functioning of Harte Gold's governance system, in part through the work of the Nominating, Compensation and Governance Committee and the Health, Safety, Environment and Technical Committee.

The Board is responsible for establishing, and monitoring the Company's compliance with, policies and procedures designed to ensure that the Company operates at all times in compliance with all applicable laws and regulations and in accordance with high standards of ethics and corporate governance. Policies the Board has adopted, that it reviews from time to time and resolves disputes under, include:

- Code of Business Conduct and Ethics
- Disclosure & Insider Trading Policy
- Whistleblower Policy
- Insider Trading Policy
- Health & Safety Policy
- Sustainability and Environmental Policy

The Board will provide leadership to Harte Gold in support of its commitment to corporate responsibility, set the ethical and cultural tone for Harte Gold and its management and foster ethical

and responsible decision-making by management.

### **Communications with Shareholders**

The Board is responsible for ensuring there are procedures in place to facilitate effective communications with its shareholders and to obtain, and appropriately address, feedback received from its shareholders. In fulfilling this responsibility, the Board shall, among other things:

- ensure management includes an investor relations professional who is experienced in working closely with members of the investment community, institutional investors and individual shareholders;
- ensure that there are shareholder engagement processes in place in order to solicit the views of significant shareholders on the Company's strategy, performance and executive compensation program;
- provide shareholders with a formal opportunity to provide their views on the Board's approach to executive compensation through an annual non-binding advisory vote on executive compensation; and
- provide shareholders with a procedure to communicate directly with the Board.

### **Public Disclosure**

The Board is responsible for overseeing the Company's continuous disclosure program with a view to satisfying itself that procedures are in place to ensure that:

- Operational and financial performance of the Company is adequately reported to regulators, stock exchanges and stakeholders on a timely and regular basis;
- Financial performance is reported fairly and in accordance with International Financial Reporting Standards;
- Timely reporting to regulators, exchanges and stockholders of any developments that could or would reasonably be expected to have a significant and material impact on the Company; and
- Policies and procedures are in place to allow for effective communication with regulators, exchanges and stakeholders.

The Board will, among other things, require that Harte Gold maintain a disclosure policy which sets out the procedures to be followed to ensure that information required to be disclosed by the Company is properly collected and accurately recorded, processed and summarized and reported on a timely basis and that the Company complies with all applicable laws, rules and regulations relating to financial reporting and disclosure.

The Board will also ensure that procedures are in place to ensure that developments at all levels of the organization are promptly and accurately reported to management and, ultimately, to the CEO

and the Board.

### **Director Compensation**

The Board will, with the advice and recommendations of the Nominating, Compensation and Governance Committee, approve the form and amount of director compensation on at least an annual basis.

### **Advisors**

The Board has sole authority to retain, obtain the advice of, and terminate any consultant, external legal counsel or other advisor, to assist it in the performance of its duties. Harte Gold will provide appropriate funding, as determined by the Board, for payment of reasonable compensation to any advisor retained by the Board. The Board shall have sole authority to approve such consultants' fees and retention terms, and shall be directly responsible for the selection, compensation and oversight of the advisors it retains.

### **Access to Management & Information**

Board members will have full and free access to officers and employees of the Company and the Company's books and records. Any meetings or contacts that a Board member wishes to initiate may be arranged through the CEO or the Corporate Secretary. Board members will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

### **Board Evaluation**

The Board shall review, at least annually, the Board's duties, responsibilities and performance and determine if any changes in practices of the Board or amendments to this Mandate are necessary or otherwise deemed appropriate by the Board.

### **MINIMUM EQUITY OWNERSHIP INTERESTS**

Non-executive directors are required to have an equity interest in Harte Gold with a value of at least three times the amount of the annual Board retainer within five years of their appointment to the Board. This requirement may be satisfied through the acquisition of Common Shares and through the award of deferred share units based on the acquisition or award date value.

### **DELEGATION OF POWERS**

Subject to the limitations imposed by statute and the Board's oversight function and ultimate responsibility for the stewardship of the Company, responsibility for the day-to-day management of the Company's business and affairs has been delegated to Harte Gold's officers. The Board may also delegate certain matters to committees of the Board. Any responsibility not delegated to management or a committee of the Board remains with the Board.

The Board's delegation of responsibility for the day-to-day management of the Company's business and affairs to the Company's officers will be subject to such limitations as the Board may impose including, but not limited to, specified financial limits.

Those matters which require Board approval are set out in Schedule "A" attached hereto.

## **COMMITTEES**

### **Standing Committees**

The Board will have an Audit Committee, a Health, Safety, Environment and Technical Committee and a Nominating, Compensation and Governance Committee. The Board may, from time to time, establish such additional committees as it deems appropriate and delegate to them such authority permitted by applicable law as the Board sees fit.

Each committee will operate in accordance with applicable law, its Charter (as adopted and amended from time to time by the Board) and the applicable rules of securities regulatory authorities and stock exchanges.

The Charter for each of the committees will be posted on the Company's website.

### **Composition and Independence**

The Nominating, Compensation and Governance Committee will be responsible for recommending to the Board the persons to be appointed to each committee as members and as the Chair and will review each committee's membership on at least an annual basis and otherwise periodically as circumstances require.

All of the members of the Audit Committee and a majority of the members of the Nominating, Compensation and Governance Committee shall be "independent" directors, taking into account applicable rules and regulations of securities regulatory authorities and stock exchanges.

### **Committee Chair**

The chair of each committee is responsible for guiding the committee in the fulfillment of its duties and responsibilities. The Board has developed a Committee Chair Mandate which shall be reviewed at least annually by the Nominating, Compensation and Governance Committee and the Board.

## **RESPONSIBILITIES OF DIRECTORS**

The primary responsibility of individual directors is to act honestly and in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of Harte Gold and its shareholders.

The Board has developed the following specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board:

- *Understand the Company and its Business.* Each director is expected to develop and maintain a thorough understanding of Harte Gold's business, its strategy, business operations, financial position and performance, the risks it faces and the social and political environments in which it operates.
- *Loyalty and Ethics.* All directors owe a duty of loyalty to Harte Gold which requires each director to put the best interests of Harte Gold ahead of any other commercial interest he or she may have. Directors are expected to conduct themselves in accordance with Harte Gold's Code of Business Conduct and Ethics. Directors must disclose any conflict of

interest on any issue, including any interest in a material contract or transaction, brought before the Board and refrain from participating in the Board discussion and voting on the matter unless asked by the Board to do so.

- *Prepare for Meetings.* Directors are expected to diligently prepare for each meeting, including by reviewing all materials circulated in advance of each meeting and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Board Chair, committee Chairs, the CEO and any other appropriate officer to ask questions and discuss agenda items prior to meetings.
- *Attend Meetings.* Directors are expected to maintain a high attendance record at meetings of the Board. Attendance by telephone or video conference may be used to facilitate a director's attendance.
- *Participate in Meetings.* Directors are expected to be active and effective participants in the deliberations of the Board by participating fully and frankly in Board discussions and encouraging free and open discussion of the affairs of the Company.
- *Continuing Education.* Directors are expected to pursue continuing education opportunities to maintain and enhance their abilities as directors and ensure that their knowledge of the business of the Company remains current.
- *Other Directorships and Significant Activities.* Harte Gold values the experience directors bring from other boards on which they serve and other activities in which they participate but recognizes that those boards and activities may also present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. Each director should, when considering membership on another board, make every effort to ensure that such membership will not impair the director's time and availability for his or her commitment to Harte Gold. The Board believes that this objective is served by limiting the number of other public company boards a director may serve on to three. Directors must advise the Board Chair, the Chair of the Nominating, Compensation and Governance Committee and the CEO before accepting membership on the board of another public company or establishing other significant relationships, particularly those that may result in significant time commitments.
- *Confidentiality.* Each director must maintain the confidentiality of information received in connection with his or her services as a director of the Company.

Approved by the Board of Directors on November 12, 2020

## SCHEDULE "A" - MATTERS REQUIRING BOARD APPROVAL

A.1 The Board has the statutory responsibility for considering the following matters and may not delegate such matters to committees of the Board or to management of the Company:

- the submission of any question or matter to the shareholders of the Company which requires the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or the appointment of additional directors;
- the issuance of securities;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of shares issued by the Company;
- the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Company from the Company or from any other person or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
- the approval of a management proxy circular;
- the approval of a take-over bid circular, directors' circular or issuer bid circular;
- the approval of an amalgamation of the Company;
- the approval of all financial information and other disclosure documents that are required by law to be approved by the Board before they are released to the public;
- the approval of an amendment to the articles of the Company; and
- the adoption, amendment or repeal of any by-law of the Company.

A.2 In addition to those matters which at law cannot be delegated, the following matters (as well as any other matters that may be specified by the Board from time to time) must be referred to the Board (or an appropriate committee of the Board where delegation to a committee is permitted by law) in advance of any commitment or substantial negotiation for approval:

- annual budgets;
- entering into transactions of a fundamental nature such as reorganizations, material acquisitions or dispositions;
- entering into, or making a material modification to, any agreement or commitment to become liable for any debt obligations or guarantees involving more than \$1.5 million (the "**Threshold Amount**") (based on the "materiality" threshold used by Harte Gold's independent auditors), or subjecting any assets of the Company to a security interest;
- any transaction involving a purchase, contract, merger, combination, acquisition, disposal or other contract that (a) requires shareholder approval or (b) involves a sum of more than the Threshold Amount;
- committing to make any capital expenditure in excess of the Threshold Amount that is not otherwise already part of the Company's approved operating budget;
- entering into any contract, agreement or commitment out of the ordinary course of business;
- entering into any agreement with an officer, director or 10% shareholder of the Company or any parent or subsidiary of the Company outside of the ordinary course of business;
- terminating, suspending or significantly modifying any material business activity or business

- strategy of the Company or undertaking a new business activity;
- making any material change to a business or strategic plan that has been approved by the Board;
  - initiating or settling any legal proceeding involving a payment that exceeds the Threshold Amount; and
  - the appointment, compensation and/or removal of the CEO, any officer of the Company, a director or the Board Chair.