

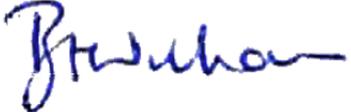
Board of Directors Mandate

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1. ROLES AND RESPONSIBILITIES

- 1.1. The Board of Directors (the “Board”) is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and supervise management, which is responsible for the day-to-day conduct of the business. The Board shall meet as frequently as may be required to fulfil these responsibilities, and at least once per quarter.
- 1.2. **Strategic Plans:** The Board is responsible for the review of the Company’s strategic business plan proposed by management, and to approval of that plan with such changes as the Board deems appropriate. The plan and associated discussion should take into account, among other things, the opportunities and risks faced by the business.
- 1.3. **Performance Management:** The Board shall review and measure corporate performance against strategic plans, senior management objectives, financial plans and budgets.
- 1.4. **Risk Management:** The Board is responsible for ensuring that management has undertaken identification of the principal risks of the Company’s business and is overseeing the implementation of appropriate systems to manage these risks.
- 1.5. **Culture:** The Board is responsible for satisfying itself as to the integrity of the Executive Chairman, CEO and other executive officers and that all officers create and foster a robust culture of integrity throughout the Company.
- 1.6. **Communications:** The Board is responsible for overseeing and approving the Company’s communication policies, which:
 - 1.6.1. Address how the Company interacts with analysts, investors, other key stakeholders and the public, and
 - 1.6.2. Contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure.
- 1.7. **Internal Controls:** The Board is responsible for ensuring the integrity of the Company’s internal control and management information systems.
- 1.8. **Laws:** The Board is responsible for acting in accordance with all applicable laws, the Company’s policies and the Company’s Code of Business Conduct and Ethics.
- 1.9. The Board and each individual director are responsible for acting in accordance with the obligations imposed by the Business Corporations Act Ontario, applicable securities commissions and the Canadian Securities Exchange.
- 1.10. **Personal Conduct:** In exercising their powers and discharging their duties, each director shall:
 - 1.10.1. Act honestly and in good faith with a view to the best interests of the Company;
 - 1.10.2. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - 1.10.3. Exercise independent judgment regardless of the existence of relationships or interests which could interfere with the exercise of independent judgment, and
 - 1.10.4. Disclose to the Company, in writing, the nature and extent of any interest that the director has in a material contract or material transaction (a “disclosable interest”), whether made or proposed, with the Company if the director is a party to the contract or transaction, is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction, or, has a material interest in a party to the contract or transaction; and such director shall refrain from voting on any resolution to approve such contract or transaction unless all directors have a disclosable interest.

- 1.11. **Committees and their limitations:** The Board has the authority to establish committees and appoint directors to be members of these committees. However, the Board may not delegate to such committees the power to:
- 1.11.1. Submit to the shareholders any matter requiring the approval of the shareholders;
 - 1.11.2. Fill a vacancy among the directors or in the office of auditor or appoint additional directors;
 - 1.11.3. Issue securities, except as authorized by the directors;
 - 1.11.4. Issue shares of a series, except as authorized by the directors;
 - 1.11.5. Declare dividends;
 - 1.11.6. Purchase, redeem or otherwise acquire shares issued by the Company;
 - 1.11.7. Pay a commission to any person in consideration of his 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;
 - 1.11.8. Approve a management proxy circular, take-over bid or directors' circular;
 - 1.11.9. Approve financial statements to be put before an annual meeting of shareholders, and
 - 1.11.10. Adopt, amend or repeal articles.

2. BOARD COMMITTEES

- 2.1 The matters to be delegated to committees of the Board and the constitution of such committees are to be assessed annually or more frequently, as circumstances require. From time to time the Board may create an ad hoc committee to examine specific issues on behalf of the Board. The following are the standing committees of the Board:
- 2.2 **The Audit Committee:** This is to consist of not less than three directors, one of whom will act as the Chair. The majority of these three directors must be an "independent" director under applicable securities laws and applicable stock exchange rules.
- 2.3 The role of the Audit Committee is 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, its subsidiaries and associated companies.
- 2.4 **The Nominating and Corporate Governance Committee:** This is to consist of not less than three directors, each of whom must be an "unrelated or "independent" director under applicable securities laws and applicable stock exchange rules.
- 2.5 The role of the Nominating and Corporate Governance Committee is to:
- 2.1.1. Develop and monitor the effectiveness of the Company's system of corporate governance;
 - 2.1.2. Establish procedures for identifying, evaluating and recommending prospective new nominees to the Board and leading the candidate selection process;
 - 2.1.3. Develop and implement orientation procedures for new directors;
 - 2.1.4. Recommend the appointment of committee members to the Board's standing committees;
 - 2.1.5. Assess the effectiveness of directors, the Board and the various committees of the Board;
 - 2.1.6. Ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board, and its committees, and
 - 2.1.7. Establish a plan of succession including in respect of the CEO.
- 2.6 **The Compensation Committee:** This is to consist of not less than three directors, each of whom must be an "unrelated or "independent" director under applicable securities laws and applicable stock exchange rules.
- 2.7 The role of the Compensation Committee is to:

- 2.1.8. Establish a remuneration and benefits plan for the directors and officers of the Company as deemed appropriate;
 - 2.1.9. Review the adequacy and form of compensation of the directors and officers of the Company, and
 - 2.1.10. Setting objectives and undertaking the performance evaluation of the CEO in consultation with the Chair of the Board, if not the CEO.
- 2.8 The independent directors shall meet on a regular basis as often as necessary to fulfill their responsibilities, including at least annually in executive session without the presence of non-independent directors and management.

3. BOARD COMPOSITION

- 3.1 From time to time the Board or an appropriate committee of the Board shall review the size of the Board to ensure that the size facilitates effective decision-making.
- 3.2 The Board shall be composed of a majority of directors who qualify as “unrelated” or “independent” directors under applicable securities laws and applicable stock exchange rules. The determination of whether an individual director is unrelated or independent is the responsibility of the Board.
- 3.3 If at any time the Company has a significant shareholder, meaning a shareholder with the ability to exercise a majority of the votes for the election of the Board, the Board will include at least one director who does not have interests in or relationships with either the Company or the significant shareholder and who fairly reflect the investment in the Company by shareholders other than the significant shareholder.
- 3.4 The Board should, as a whole, have the following competencies and skills:
 - 3.1.1. Technical and operating knowledge of the mining industry;
 - 3.1.2. Knowledge of the latest corporate governance guidelines, and
 - 3.1.3. Financial and accounting expertise.

4. PROCEDURES TO ENSURE EFFECTIVE OPERATION

- 4.1 **Role of The Chair:** The Chair of the Board shall be responsible for overseeing that the Board discharges its responsibilities.
- 4.2 **Transparency:** The Board has complete access to the Company’s management. The Board shall require timely and accurate reporting from management and shall regularly review the quality of management’s reports. As a minimum this will include:
 - 4.1.1. Access CEO’s weekly Business Plan Review meetings, conducted by Video Conference, and
 - 4.1.2. Access to monthly management reports by the 14th day of the month following the end of the reported month.
- 4.3 **Engagement of Advisors:** An individual director may engage an external adviser at the expense of the Company in appropriate circumstances. Such engagement is subject to the approval of the Nominating and Corporate Governance Committee.
- 4.4 **Orientation:** The Board may provide an orientation program for new member of the Board as well as continuing education on topics relevant to all directors from time to time as required.
- 4.5 **Shareholder Feedback:** The Board shall seek shareholder feedback.
- 4.6 **Delegation to Management:** The Board requires management to run the day-to-day operations of the Company, including internal controls and disclosure controls and procedures.
- 4.7 **Board-Level Decisions:** The Board sets appropriate limits on management’s authority. In addition, the following decisions require the approval of the Board or one of its committees:

- 4.1.3. The approval of the annual and quarterly (unless delegated to the Audit Committee) consolidated financial statements;
- 4.1.4. The approval of the consolidated annual budget;
- 4.1.5. Any equity or debt financing of the Company, other than debt incurred in the ordinary course of business such as trade payables;
- 4.1.6. The creation of subsidiaries for the Company;
- 4.1.7. The creation of new Company bank accounts;
- 4.1.8. Payment of dividends by the Company;
- 4.1.9. Proxy solicitation material for the Company;
- 4.1.10. Projected issuances of securities from treasury by the Company as well as any projected redemption of such securities;
- 4.1.11. The appointment of members on any committee of the Board of the Company;
- 4.1.12. The appointment or discharge of any senior officer of the Company;
- 4.1.13. Entering into employment contracts with any senior officers of the Company;
- 4.1.14. Entering into any license, strategic alliance, partnership or other agreement outside the ordinary course of business for the Company or its subsidiaries (the "Consolidated Group");
- 4.1.15. The acquisition and assignment of material assets (including intellectual property and fixed assets) outside of the ordinary course of business within the Consolidated Group;
- 4.1.16. Any material changes to the business of the Consolidated Group, and
- 4.1.17. Initiating or defending any lawsuits or other legal actions for the Consolidated Group.

5. REVIEW

- 5.1 This Board Mandate Extended Policy shall be reviewed every two years or when changes occur.

6. DISTRIBUTION

- 6.1 This Board Mandate Extended Policy applies to all Bunker Hill Mining Corporation Board of Directors.