

## **BOARD OF DIRECTORS MANDATE**

### **1. Objective and Scope**

The Board of Directors (the “Board”) has the responsibility for the overall stewardship of Anaconda Mining Inc. (the “Company”), its business conduct, and the activities of management, which is responsible for the day-to-day conduct of the business. The fundamental objectives of the Board are to enhance and preserve long term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities.

### **2. Procedures and Organization**

The Board has the authority to exercise all powers of the Corporation that are required by the Business Corporations Act (Ontario) or Articles of the Corporation. The Board may delegate to Senior Management or to a committee certain of its authorities, but it will communicate with respect to matters that cannot be delegated and that require prior approval of the Board. This will require that the Corporation’s annual strategic, operating and capital plans, significant capital expenditures, and all transactions or other matters of a material nature and dealing with non-arm’s length parties, must be presented by Senior Management for approval by the Board. The Board also retains the responsibility for managing its own affairs including selecting its chair (“Chair”) and nominating candidates for election to the Board and constituting committees of the Board.

A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in their absence, the person appointed by the Board to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution.

### **3. Duties and Responsibilities**

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

#### **➤ Legal Requirements**

The Board, together with management, has the responsibility to ensure all legal requirements are met, all documents and records are properly prepared and approved, and all corporate records are properly maintained.

The Board has the statutory responsibility to:

- a. To manage, supervise and assume responsibility for the management of the business of the Corporation;
- b. To act honestly and in good faith and in the best interests of the Corporation;
- c. To exercise the care, diligence and skill of a reasonably prudent person; and

- d. To act in accordance with its obligations contained in the Business Corporations Act (Ontario), the Securities Act (Ontario), the regulations of the Exchange, and all such other relevant legislation and regulations.

➤ **Independence**

In order that the Board can function independently of Senior Management, it will seek to maintain a majority of the Board as “independent”, as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”). The Board, in consultation with the Corporate Governance Committee, will annually review the relationship of each director and the Company to determine if each director is or remains “independent” as defined by NI 58-101.

The Board will disclose annually whether the Board of Directors has a majority of independent Directors.

➤ **Strategic Planning**

The Board has the responsibility to ensure that there are long term goals and a strategic planning process in place for the Company and to participate, at least annually, with management, directly or through the Board’s committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan considers, among other things, the opportunities and risks of the Company’s business. Annual operating and capital plans are developed by Senior Management and are reviewed and approved by the Board.

➤ **Identification and Management of Risks**

The Board will identify principal risks to the Corporation’s business and will with Senior Management establish systems and procedures to ensure that these risks are appropriately monitored and controlled. These systems and procedures will include the responsible use of the Corporation’s assets and financial resources, and will be in compliance with all regulatory obligations and regulations.

➤ **Supervision and Succession of Management**

The Board is responsible for the supervision of Senior Management and will take reasonable steps to ensure that the operations of the Corporation are conducted in accordance with strategic plans and objectives set by the Board. Appointment of the CEO and CFO will be approved by the Board. The Board will assess the performance of the Senior Officers of the Corporation and ensure that they are professional, focused and capable of successfully managing the Corporation;

The Board will ensure that appropriate and reasonable plans have been made for management succession and development.

➤ **Internal Controls and Disclosure**

While the Board is called upon to manage or supervise Senior Management, the business of the Corporation is carried out by the CEO, CFO and others in Senior Management. These individuals are charged with the day-to-day leadership and management of the Corporation and its subsidiaries and are expected to achieve overall objectives and policies established by the Board. The CEO’s prime responsibility is to lead the Corporation, formulate strategies and policies and present them to the Board for approval. The Board approves the strategies of the Corporation and its subsidiaries, the policies within which it is managed, provides counsel to Senior Management to achieve

objectives and evaluates performance. Reciprocally, the CEO keeps the Board fully-informed in a timely and candid manner on all matters which are of interest to the Board, on progress of the Corporation towards the achievement of its objectives and of all potential or actual deviations from the goals, objectives and/or policies established by the Board. Once the Board has approved the strategies and policies, it acts in a unified and cohesive manner in supporting, advising and guiding the CEO, CFO and others in Senior Management.

The Board operates by delegating certain of its authorities, including spending authorizations, to Senior Management and by reserving certain powers to itself. Subject to the Business Corporations Act (Ontario) and Articles, the Board retains the responsibility for managing its own affairs, developing its own agendas and procedures and recommending Directors' compensation. Its principal duties fall into the general categories described below.

The Board, through the Audit Committee, will be responsible for the integrity of the internal control and management information systems of the Corporation. The duties of the Audit Committee are located at Tab 11.

The Board is responsible for approving a communications policy that includes a framework for investor relations and a public disclosure policy. Refer to Corporate Disclosure Policy at Tab 3.

The Board is responsible for reviewing and assessing disclosure of the Corporation's financial performance to shareholders and stakeholders.

➤ **Division of Responsibilities**

The Board has the power to appoint and delegate responsibilities to committees where appropriate to do so. The Board shall be responsible for ensuring that the Company's officers and the directors are qualified and appropriate in keeping with the Company's corporate governance policies.

To assist it in exercising its responsibilities, the Board has established the following standing committees of the Board:

- Audit Committee
- Corporate Governance Committee
- Compensation Committee
- Health, Safety and Sustainability Committee

The Board may establish other standing or ad hoc committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

➤ **Appointment and Monitoring of Senior Management**

The Board has the responsibility:

- a. For the appointment and replacement of the CEO, and CFO, for monitoring his/her performance, approving his/her compensation and providing advice and counsel to this executive in the execution of his/her duties.

- b. To determine its expectations of Senior Management and take reasonable steps to ensure that they understand these expectations.
- c. The Board through the Corporate Governance Committee has the responsibility for reviewing and recommending the appointment and replacement of Directors.

➤ **Policies, Procedures and Compliance**

The Board has the responsibility:

- a. To approve all significant policies and procedures and to monitor compliance with these policies and procedures.
- b. To take such reasonable steps necessary to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

➤ **Reporting and Communication**

The Board has the responsibility to take such reasonable steps to ensure that:

- a. to ensure the Company has developed, and the Board has approved, a Corporate Disclosure Policy, to enable the Company to communicate effectively with its shareholders and other stakeholders;
- b. Operational and financial performance of the Corporation is adequately reported to exchanges and stakeholders on a timely and regular basis, as required by law.
- c. Financial performance is reported fairly and in accordance with Generally Accepted Accounting Principles.
- d. Reporting to exchanges and stakeholders of any developments that could or would be reasonably expected to have a significant and material impact on the Corporation.
- e. Policies and procedures are in place that allow for effective communication with exchanges and stakeholders.

➤ **Monitoring and Acting**

The Board has the responsibility:

- a. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- b. to take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- c. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities.

➤ **Membership and Composition**

The Board of Directors will:

- a. examine the size of the Board with a view to determining the impact of the number of Directors upon the effectiveness of the Board; and
- b. determine the status of each Director as dependent or independent and, to the extent practicable, take steps to ensure that a majority of the Directors are independent.

The Board, through the Corporate Governance Committee, in determining its composition, shall be mindful of the nature of its business and the specialized knowledge that the Board should possess or need to acquire.

➤ **Education and Assessment**

Members of the Board are expected to attend all meetings of the Board in person or by phone and to have reviewed board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that a process is in place so that all new Directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business, and the contribution that individual directors are required to make. New Directors, as part of their orientation, may meet with Senior Management to discuss the business of the Corporation and receive historical and current operating and financial information, and may tour offices and locations of the Corporation.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

**4. Third Party Advisors**

The Board, and any individual director with the approval of the Board, may retain at the expense of the Company independent counsel and advisers in appropriate circumstances.

**5. Role of Chairman**

The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- chair Board meetings and be the spokesman for the Company at the Annual General Meeting
- establish the agenda for Board meetings in consultation with the CEO and CFO
- ensure that the Board is participating in setting the aims, strategies and policies of the Company
- make certain that the Board has the necessary information to ensure effective decision making and provide counsel for management
- ensure that administrative tasks such as the timely circulation of Board papers are carried out
- direct Board discussions so that there is effective use of time and that critical issues are discussed including 'in camera' discussions (without management) as required
- be kept fully informed by the CEO of current events and on all matters which may be of interest to the Board
- regularly review with the CEO and other such members of Senior Management as the CEO recommends, progress on important initiatives and significant issues facing the Company

Reviewed and Approved by the Board of Directors on March 28, 2018.