



# BOARD MANDATE

## *A. Introduction and Purpose*

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The members of the Board of Directors (the “Board”) have the duty to supervise the management of the business and affairs of Goldgroup Mining Inc. (the “Company”). The Board, directly and through its committees and the chair of the Board (the “Chair”), if independent, or lead director if the Chair is not independent shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

## *B. Duties and Responsibilities*

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The Board shall have the specific duties and responsibilities outlined below:

### **1. Strategic Planning**

- a. Strategic Plans - The Board will adopt a strategic plan for the Company as presented by Management. At least annually, the Board shall review and, if advisable, approve the Company’s strategic planning process and the Company’s annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.
- b. Business and Capital Plans - At least annually, the Board shall review and, if advisable, approve the Company’s annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.
- c. Monitoring- At least annually, the Board shall review management’s implementation of the Company’s strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.
- d. Material Divestitures and Acquisitions – The Board will approve material divestitures and acquisitions.

### **2. Risk Management**

- a. General - At least annually, the Board shall review reports provided by management of principal risks associated with the Company’s business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.
- b. Verification of Controls - The Board shall verify that internal, financial, non-financial and business controls and management information systems have been established by management.



### **3. Human Resource Management**

- a. General - At least annually, the Board shall review a report of the Compensation Committee concerning the Company's approach to human resource management and executive compensation.
- b. Succession Review - At least annually, the Board shall review the succession plans of the Company for the Chair, the Lead Director, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.
- c. Integrity of Senior Management - The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

### **4. Corporate Governance**

- a. General - At least annually, the Board shall review a report of the Governance and Nominating Committee concerning the Company's approach to corporate governance.
- b. Director Independence - At least annually, the Board shall review a report of the Governance and Nominating Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.
- c. Ethics Reporting - The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Governance and Nominating Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Governance and Nominating Committee concerning investigations and any resolutions of complaints received under the Code.
- d. Board of Directors Mandate Review - At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

### **5. Communications**

- a. General - The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.



- b. Shareholders - The Company endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback to the Company.
- c. **Financial and Corporate Issues** – The Board has the responsibility to:
- 1) Review and approve the annual financial statements and management's discussion and analysis for the Company and to review and approved the unaudited interim financial statements and management's discussion and analysis for the Company;
  - 2) Approve the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein;
  - 3) Declare dividends to shareholders;
  - 4) Approve financing, changes in authorized capital, issue and repurchase of securities, issue of debt securities, listings of shares and other securities, issue of commercial papers, and related prospectuses and trust indentures;
  - 5) Recommend appointment of external auditors;
  - 6) Approve banking resolutions and significant changes in banking relationships;
  - 7) Approve contracts, leases and other arrangements or commitments that may have a material impact on the Company such materiality to be approved by the Board from time to time by resolution;
  - 8) Approve spending authority guidelines; and
  - 9) Approve the commencement or settlement of litigation that may have a material impact on the Company.

### ***C. Composition***

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1. **General** - The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; meeting procedures and notices of meetings are required by the *British Columbia Corporations Act* (the "BC Act"), the *Securities Act* (British Columbia) (the "Securities Act") and the articles and by-laws of the Company, subject to any exemptions or relief that may be granted from such requirements.

The Governance and Nominating Committee shall analyse the Board of Directors skill sets required and to recommend to the Board the criteria to fill vacancies accordingly.



Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors, who experience a significant change in their personal circumstances, including a change in their principal occupation, are required to advise the chair of the Governance and Nominating Committee.

2. **Independence** - A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.
3. **Chair of the Board** - The Chair of the Board shall be an independent director, unless the Board determines that it is inappropriate to require the Chair to be independent. If the Board determines that it would be inappropriate to require the Chair of the Board to be independent, then the independent directors shall select from among their number a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

#### *D. Job Descriptions of CEO, Chairman and Lead Director*

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1. **Job Description of the CEO** - The Board has a job description for the CEO. The job description may change from time to time as the Board of Directors see fit. Attached as Exhibit "A" is the full job description of the CEO.
2. **Job Description of the Chairman** - The Board has a job description for the Chairman. The job description may change from time to time as the Board of Directors see fit. Attached as Exhibit "B" is the full job description of the Chairman.
3. **Job Description of the Lead Director** - The Board has a job description for the Lead Director, to be used if a Lead Director is appointed. The job description may change from time to time as the Board of Directors see fit. Attached as Exhibit "C" is the full job description of the Lead Director.

#### *E. Committees of the Board*

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1. **General** - The Board has established the following committees: the Compensation Committee, the Audit Committee, and the Governance and Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
2. **Committee Charters** - The Board has approved charters for each Board committee and shall approve charters for each new Board committee. At least annually, each charter shall be reviewed by the Governance and Nominating Committee and any suggested amendments brought to the Board for consideration and approval.
3. **Delegations to Committees** - The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's charter.



4. **Consideration of Committee Recommendations** - As required by applicable law, by applicable committee Charter or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.
5. **Board/Committee Communication** - To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

#### *F. Meetings*

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1. **Meetings** – The Board will meet at least once in each quarter and not less than five times per year, with additional meetings held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting. Meetings of the Board may be held at any place within or outside British Columbia and shall be conducted in accordance with the Company's by-laws. Notice of a meeting shall be served not less than two days prior to the meeting date. Notice of an adjourned meeting is not required if the time and place is announced at the original meeting. A quorum is present at the meeting when a majority of the number of directors are either present in person or by telephone, electronically or other means of communication. A majority of votes cast in favour at a meeting of directors or a committee of directors is required to pass a proposal. In case of an equality of votes the chairman of the meeting shall not have a second or casting vote.
2. **Secretary and Minutes** – The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.
3. **Meetings Without Management** – The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.
4. **Directors' Responsibilities** – Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.
5. **Access to Management and Outside Advisors** - The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of an officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.
6. **Service on Other Boards and Audit Committee** - Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability



to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

#### *G. Director Development, Orientation and Evaluation*

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- 1. Development and Orientation** - Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. At least annually, the Board shall review the Company's initial orientation program and continuing director development programs.
- 2. Self Assessment** – Annually the directors will self assess the effectiveness of the Board, Committees and Directors in fulfilling their responsibilities.

#### *H. No Rights Created*

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This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

Approved by the Board of Directors on the 23<sup>rd</sup> day of January, 2018

Reviewed by the Governance & Nominating Committee on the 23<sup>rd</sup> day of January, 2018



## **EXHIBIT "A"**

# **CEO POSITION DESCRIPTION**

### **GENERAL DESCRIPTION OF ROLE**

1. Highest authority in the Company.
2. Accountable for the Company's financial performance.
3. Ensures the Company's assets are efficiently utilized in a responsible manner with a view to maximizing shareholder value.
4. Directs the Company's strategic planning activities and provides leadership and overall guidance in both the administration and operation of the Company.
5. Leads the Company with a clearly defined sense of business direction and purpose. Serves as a role model for the Company's vision and values and creates and fosters a culture of integrity among other executive officers and throughout the organization.

### **SPECIFIC ACCOUNTABILITIES**

#### **STRATEGIC PLANNING**

- Develops a well defined strategy for the Company.
- Establishes management processes and specific performance measures that clearly support the long term strategy.
- Assesses performance and makes timely changes in strategy, structure and resource allocations.

#### **FINANCIAL RESULTS**

- Defines appropriate long-term financial objectives and sets annual goals consistent with the business strategy.
- Establishes, monitors and maintains appropriate management systems to provide effective control of operations.
- Demonstrates diligence in making the appropriate certifications required under any governing securities and corporate legislation.

#### **LEADERSHIP**

- Leads the Company with a clearly defined sense of business direction and purpose.
- Effectively communicates The Company's vision and values for all employees. Serves as a role model for this vision and values and creates and fosters a culture of integrity throughout the organization.
- Ensures that there is in operation an effective framework of governance which provides the direction and parameters within which business is to be conducted, aligns accountabilities and authorities and defines any required policies, standards and guidelines.
- Ensures programs are in place that will aid in retaining and motivating the top management team, and attracting new executives as needed.



- Identifies and develops the next generation of senior managers.
- Promotes the development of effective recruiting, training, retention and management development programs for all employees.
- Effectively serves as the Company's liaison with the industry and the investor communities.

## **SAFETY**

- Defines the strategic direction for safety, establishing performance targets for the operating businesses and ensuring adherence to established policies and standards.

## **GOVERNMENT, ENVIRONMENT AND SOCIAL RELATIONS**

- Effectively engages in dialogue with environmental, social, government and other stakeholder groups to understand their issues and concerns.
- Ensures they have an appreciation for the Company's vision, values, business goals, challenges & achievements.
- Ensures that programs are in place to maintain effective relations with such groups and the local communities served by the Company.

## **BOARD OF DIRECTORS RELATIONSHIP**

- Establishes effective working relationships collectively and individually with the Board of Directors.
- Keeps the Board kept fully informed on all important issues facing the Company (internal and external).
- Recommends appropriate policies for Board consideration.





## **EXHIBIT "B"**

### **POSITION DESCRIPTION OF CHAIR**

The Chair of the Board of Directors of the Company (the "**Board**") is principally responsible for overseeing the operations and affairs of the Board. In fulfilling his or her responsibilities, the Chair will be responsible for:

- (a) providing leadership to foster the effectiveness of the Board;
- (b) ensuring there is an effective relationship between the Board and senior management of the Company;
- (c) ensuring that the appropriate committee structure is in place and assisting the **[Nominating and Corporate Governance Committee]** in making recommendations for appointment to such committees;
- (d) in consultation with the other members of the Board and the Chief Executive Officer of the Company, ensuring the agenda for each meeting of the Board addresses issues;
- (e) ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- (f) chairing Board meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded;
- (g) chairing all shareholder general meetings;
- (h) together with the **[Nominating and Corporate Governance Committee]**, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties, and making recommendations to the **[Nominating and Corporate Governance Committee]** for changes when appropriate;
- (i) consulting with the **[Nominating and Corporate Governance Committee]** on candidates for nomination or appointment to the Board;
- (j) working with the Chief Executive Officer to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the Chief Executive Officer any issues that are preventing the Board from being able to carry out its responsibilities; and
- (k) providing additional services required by the Board.



## **EXHIBIT "C"**

### **POSITION DESCRIPTION OF LEAD DIRECTOR**

The Lead Director will facilitate the functioning of the Board of Directors of the Company (the "Board") independently of management of the Company and provide independent leadership to the Board. In fulfilling his or her responsibilities, the Lead Director will be responsible for:

- (a) providing leadership to ensure that the Board functions independently of management of the Company and other non-independent directors;
- (b) providing leadership to foster the effectiveness of the Board;
- (c) working with the Chair to ensure that the appropriate committee structure is in place and assisting the Nominating Committee in making recommendations for appointment to such committees;
- (d) working with the Chair to develop meeting schedules that ensure there is sufficient time for discussion of agenda topics at meetings of the Board;
- (e) recommending to the Chair items for consideration on the agenda for each meeting of the Board;
- (f) commenting to the Chair on the quality, quantity and timeliness of information provided by management to the independent directors and acting as the liaison between the independent directors and the Chief Executive Officer to ensure that any additional information requested by the Board members is included in the materials prepared by management for the Board;
- (g) calling, where necessary, the holding of special meetings of the Board, outside directors or independent directors, with appropriate notice, and establishing agenda for such meetings in consultation with the other outside or independent directors, as applicable;
- (h) in the absence of the Chair, chairing Board meetings, including, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded; in addition, chairing each Board meeting at which only outside directors or independent directors are present;
- (i) being identified as a point of contact for enquiries from shareholders relating to the Board or the Company;
- (j) consulting and meeting with any or all of the independent directors, at the discretion of either party and with or without the attendance of the Chair, and representing such directors in discussions with management of the Company on corporate governance issues and other matters; and
- (k) working with the Chair and the Chief Executive Officer to ensure that the Board is provided with the resources, including external advisers and consultants to the Board as considered appropriate, to permit it to carry out its responsibilities and bringing to the attention of the Chair and the Chief Executive Officer any issues that are preventing the Board from being able to carry out its responsibilities.