



## Board of Directors Mandate

### I. PURPOSE

The purpose of the Board of Directors (the “**Board**”) of IDM Mining Ltd. (the “**Company**”) is to supervision of senior management of the business, the going concern and general affairs of the Company. The Board shall conduct the procedures, and manage the responsibilities and obligations set out below, either directly or through committees of the Board, currently consisting of the Audit Committee, the Governance and Nominating Committee, the Compensation Committee and the Sustainability and Safety Committee.

### II. COMPOSITION AND MEMBERSHIP

- a. The Board should consist of individuals who possess skills and competencies in areas that are relevant to the business and affairs of the Company. At least a majority of the directors will be deemed to be “independent” directors within the meaning of applicable securities laws, instruments, rules and policies and regulatory requirements (collectively “**Applicable Laws**”). A majority of the directors shall be resident Canadians.
- b. The directors of the Company will be elected at the annual meeting of the shareholders of the Company and shall serve no longer than the close of the next annual meeting of shareholders, subject to re-election thereat.

### III. MEETINGS AND PROCESS

- a. The Board will schedule as many meetings as necessary to carry out its duties effectively.
- b. A meeting of the board may be called by the Chair, the Chief Executive Officer (the “**CEO**”), the Lead Director, if any or any two directors. Meetings may be called by providing 48 hours’ notice or may be held at any time without notice if all of the directors have waived or are deemed to have waived notice of meeting
- c. The Chair, the CEO and the Lead Director, if any, are responsible for the agenda for each meeting of the Board. Prior to each Board meeting, the Chair and the CEO should discuss agenda items for the meeting with the Lead Director, if any.
- d. A majority of the members of the Board shall constitute a quorum. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present. Each director is expected to attend all meetings of the Board. A director who is unable to attend a board meeting in person may participate by telephone or teleconference.



At board meetings, each director is entitled to one vote and questions are decided by a majority of votes of the directors present. In case of any equality of votes the Chair of the meeting does not have a second vote or casting vote.

- e. The independent directors (in this context meaning directors who are not also senior officers and if not independent within the meaning of Applicable Laws), the Chair should hold an *in-camera* session without the non-independent directors and officers present at least once per annum or as required at each meeting of the Board. The Chair, if independent and if not independent, the Lead Director, if any, should chair the *in-camera* sessions.

#### **IV. EXPECTATIONS OF DIRECTORS**

The Board expects that each director will, among other things:

- i. act honestly, in good faith and in the best interests of the Company;
- ii. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- iii. commit the time and energy necessary to properly carry out his or her duties;
- iv. attend all Board and committee meetings, as applicable; and,
- v. review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

#### **V. COMMITTEES**

The Board may appoint such committees from time to time as it considers appropriate. Each permanent committee shall have a charter that is approved by the Board setting out the responsibilities of, and the extent of the powers delegated to, such committee by the Board.

#### **VI. RESPONSIBILITIES**

##### ***Oversight of Management and the Board***

- a. The Board is responsible for the appointment, and replacement, of senior management of the Company. The Board shall ensure that appropriate succession planning, including the appointment, training and monitoring of the senior officers and members of the Board, is in place.



- b. The Board is responsible for satisfying itself as to integrity of the CEO and other officers and that the CEO and the other officers create a culture of integrity, fairness and ethics in accordance with the policies of the Company, throughout the Company.
- c. The Board should annually consider what additional skills and competencies would be helpful to senior management and the Board, with the Governance and Nominating Committee having received input from the Board, being responsible for the identifying specific candidates for consideration for appointment to management and the Board.
- d. Through the Governance and Nominating Committee and Compensation Committee, the Board should review the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and should review the compensation of the officers to ensure that is competitive within the industry and that the form of compensation aligns the interests and responsibilities of each officer with those of the Company.

#### ***Financial Matters***

- a. The Board and Audit Committee are responsible for reviewing the financial and underlying operational performance of the Company and assessing whether the Company continues to be a going concern.
- b. The Board and Audit Committee should review and approve the annual financial statements, management's discussion and analysis related to such annual financial statements, budgets and the Board should approve the annual information form, and management information circular of the Company.
- c. The Board, primarily through the Audit Committee, shall monitor and ensure the integrity of the internal controls and procedures (including adequate management information systems and the oversight of the testing of internal controls) within the Company and the financial reporting procedures of the Company.
- d. The Board is responsible for considering, and if established, reviewing from time to time and approving of a dividend and any dividend policy for the Company.

#### ***Business Strategy***

- a. The Board has primary responsibility for the adoption of the strategic direction of the Company. The Board will contribute to the development of the strategic direction by approving, at least annually, a strategic plan and budget developed and proposed by the officers, subject to any changes required by the Board. The strategic plan and budgets should take into account the business opportunities and business risks of the Company. The Board will review with the officers from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these factors on the strategic direction of



the Company. The Board will review and approve the financial objectives, plans and actions of the Company, including significant capital allocations and expenditures including the going concern of the Company.

- b. The Board and Audit Committee are responsible for ensuring that procedures and people are in place to appropriately manage the principal business risks of the Company.
- c. The Board should monitor corporate performance against the approved strategic plan and budgets, including assessing senior management and operating results, to evaluate whether the business is being appropriately managed.
- d. The Board is responsible for reviewing and approving all material transactions brought forward by the officers and not contemplated in the strategic plan and budgets approved by the Board affecting the Corporation, all transactions having a value in excess of \$100,000 not in the ordinary course of business (unless contemplated in the strategic plan and budget approved by the Board and all related party transactions (within the meaning of Applicable Laws) involving the Company which are presented to the Board.

#### ***Communicating and Reporting to Shareholders***

- a. The Board and Governance and Nominating Committee are responsible for overseeing the continuous disclosure program of the Company with a view to satisfying itself that procedures and policies are in place and that senior management is adhering to such procedures and policies to ensure that material information is disclosed in a timely fashion.
- b. The Board and the Governance and Nominating Committee will ensure that the Company has a fulsome disclosure policy which includes a framework and procedures for investor relations and public disclosure in accordance with best practices.

#### ***Corporate Governance***

- a. The Governance and Nominating Committee will recommend to the Board and the Board will establish and approve the approach and mandate of the Company to its corporate governance, safety and sustainability and all related policies.
- b. The Board is responsible for assessing its own mandate and effectiveness in fulfilling its mandate and shall assess the mandate of the Governance and Nominating Committee and effectiveness of fulfilling each of the other committees (considering, among other things, the recommendation of the applicable committee) from time to time and at least annually.



- c. The Board is responsible for evaluating the relevant relationships of each independent director and is required to make an affirmative decision that such relationship does not preclude a determination that the director is not independent within the meaning of Applicable Laws.
- d. The Board is responsible for ensuring the establishment and compliance of appropriate standards of corporate conduct, adopt a corporate code of conduct and ethics for all employees, including officers, and shall ensure that procedures are in place to monitor compliance with such code. Only the Board may grant waivers of the code of conduct and ethics which would be to the benefit of any director or officer.

### ***General***

- a. The Board is responsible for performing such other functions as are prescribed by law, including all Applicable Laws.
- b. The Board may at any time retain outside financial, legal or other advisors at the expense of the Company. Any director may, subject to the approval of the Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Company.

### **VII. LEAD DIRECTOR**

- a. The Board will appoint a Lead Director in circumstances in which the Chair of the Board is not considered independent under Applicable Laws in order to provide independent leadership as required, to the Board and for other purposes as outlined in the position description for Lead Director.
- b. If a Lead Director is required the Governance and Nominating Committee and Compensation Committee will recommend a candidate for the position of Lead Director from amongst the independent members of the Board. The Board will be responsible for appointing the Lead Director and approving the Lead Director's remuneration.

### **VIII. OTHER**

- a. The Board shall annually review and assess the adequacy of its mandate.
- b. The Board shall participate in an annual performance evaluation.



**IX. APPROVAL**

OWNER(S)

Board of Directors

POLICY TYPE

Board Governance

ADOPTED:

April 27, 2018