



## MANDATE OF THE BOARD OF DIRECTORS

### QUIMBAYA GOLD INC.

The board of directors (the "**Board**") of Quimbaya Gold Inc. (the "**Corporation**") is responsible under law to supervise the management of the business and affairs of the Corporation. The Board has the statutory authority and obligation to protect and enhance the assets of the Corporation.

The principal mandate of the Board is to oversee the management of the business and affairs of the Corporation, and monitor the performance of management.

In keeping with generally accepted corporate governance practices and the recommendations contained in National Policy 58-201 *Corporate Governance Guidelines* adopted by the Canadian Securities Administrators, and the requirements of any stock exchange on which the Corporation's securities are listed, the Board assumes responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, explicitly assumes responsibility for the following:

#### 1. OPERATION OF THE BOARD

##### 1.1 Director Duties and Responsibilities

The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, the Directors should be entitled to rely on the honesty and integrity of the Company's executive officers and its outside advisors and auditors. Each Director shall make every reasonable effort to attend each meeting of the Board and any committee of which the Director is a member, and to be reasonably available to management and the other Directors for consultations between meetings.

The duties and responsibilities of the Board include:

##### 1.2 Strategy and Planning

- To hold a strategic planning session at least annually to review the Company's strategic business plan proposed by management and to adopt such a plan which takes into account, among other things, the business opportunities and risks of the business and includes such changes as the Board deems appropriate.
- To consider and approve, with such changes as the Board deems appropriate, the annual budget proposed by management, such budget to be provided to the Board by management prior to the fiscal year end.

- To review, evaluate and approve, on a regular basis and at least annually, long-range strategic plans for the Company.
- To review, evaluate and approve major resource allocations and capital investments.
- To review the financial and operating results of the Company.
- To review and measure corporate performance against strategic plans, senior management objectives, financial plans and annual budgets.

#### Business and Risk Management

- To review and evaluate the principal risks of the Company's business and ensure appropriate systems are in place to manage these risks.
- Periodically review the Company's directors and officer's liability insurance coverage.

#### 1.3 Corporate Governance

- To adopt, implement and monitor, compliance with the Company's corporate governance guidelines and policies.
- To review management reports on the integrity of the Company's internal control and management information systems.
- To develop and periodically review policies with respect to decisions and other matters requiring Board approval.
- To develop and review at least annually a Corporate Disclosure, Social Media and Trading Policy for the Company that, among other things; addresses how the Company interacts with analysts, investors, other key stakeholders and the public and contains measures for the Company to comply with its continuous and timely disclosure obligations and how to avoid selective disclosure and improper trading in the Company's securities.

#### 1.4 Management

- The Board is responsible for satisfying itself as to the integrity of the CEO and other senior executive officers and that the CEO and the other senior executive officers create a culture of integrity throughout the Company.
- The Board, shall manage succession planning.
- The Board, together with the CEO, shall develop clear position descriptions for the CEO. The Board, together with the CEO, shall also approve or develop the corporate objectives that the CEO is responsible for meeting and the Board shall assess the CEO against these objectives at least annually.
- Assist the Board in its annual review and revision of the written objectives of the CEO and guidance for the development of corporate strategy.
- Assess and evaluate CEO performance.

#### 1.5 General Legal Obligations

- The Board is responsible for acting in accordance with all applicable laws, and the Company's corporate governance guidelines and policies.
- In exercising their powers and discharging their duties, each Director shall:
  - o act honestly and in good faith with a view to the best interests of the Company;
  - o exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
  - o exercise independent judgement regardless of the existence of relationships or interests which could interfere with the exercise of independent judgement; and
  - o disclose to the Company, in writing or by having it entered in the minutes of meetings of Directors, the nature and extent of any interest that the Director has in a material contract or material transaction, 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
  - o such Director shall refrain from voting on any resolution to approve such contract or transaction unless it relates to the Directors' remuneration in that capacity, is for the Directors' indemnity or insurance or is a contract or transaction with an affiliate; and
  - o demonstrate a willingness to listen as well as to communicate their opinions, openly and in a respectful manner.

## 1.6 Board and Committee Meetings

Board and committee meetings will be held regularly in accordance with mandate and the specific committee charters. Directors are expected to attend Board meetings and meetings of the committees on which they serve. Directors should spend the time necessary and meet as frequently as needed to properly discharge their responsibilities, provided, however, the Board shall hold meetings on at least a quarterly basis.

The independent directors of the Board 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.

## 1.7 Agenda Items for Board and Committee Meetings

The Chairman and Corporate Secretary will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. A detailed agenda and, to the extent feasible, supporting documents and proposed

resolutions will be provided to the Directors approximately one week prior to each Board meeting. Directors should review these materials in advance of the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings should advise the Corporate Secretary and Chairman well in advance of such meetings.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of each year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the committee members approximately one week prior to each committee meeting. Committee members should review these materials in advance of the meeting.

## **2. BOARD STRUCTURE**

### **2.1 Size of the Board**

From time to time the Board shall review the size of the Board to ensure that the size facilitates effective decision-making.

### **2.2 Composition**

The Board shall be composed of at least a majority of Directors who qualify as "independent" Directors under applicable Canadian securities laws and stock exchange rules, including as defined under National Instrument 52-110 - Audit Committees.

To qualify as an "independent" director, the Board must affirmatively determine that an individual Director does not have a director indirect relationship that could, in the view of the other members of the Board, be reasonably expected to interfere with the exercise of independent judgment in carrying out the responsibilities of such Director.

The Board shall appoint a Chair, and if the Chair is not independent, a "Lead Director" who meets the independence requirements set forth above.

Nominees for Directorship will be recommended to the Board in accordance with the policies and principles set forth in its charter. Any invitation to join the Board should be extended through the Chairman of the Board after approval by the full Board.

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders, in each case based upon where appropriate, meaningful dialogue with shareholders.

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 a number of Directors who do not have interests in or relationships with either

the Company or the significant shareholder and who fairly reflects the investment in the Company by shareholders other than the significant shareholder.

Directors are eligible to serve a maximum of 10 years on the Board. Provided, however, that on a case-by-case basis, the Board may extend a Director's initial 10 year term limit by up to an additional 3-5 years if the Director has received positive annual performance assessments, the Director holds a meaningful equity interest in the Company and the Board believes it is in the best interests of the Company that the Director continues to serve on the Board.

### 2.3 Resignation from the Board

Any Director may resign at any time by giving notice in writing or by electronic transmission to the Company Secretary. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## 3. COMMITTEES OF THE BOARD

The Board shall establish an Audit Committee, and may establish such other committees as it deems necessary or desirable to assist in the fulfillment of its duties and responsibilities with such charters as the Board may determine, and may delegate from time to time to such committees or other persons any of the Board's responsibilities that lawfully may be delegated.

The matters to be delegated to committees of the Board and the charters 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.

Each committee Chair, in consultation with committee members and subject to the committee's charter, will determine the frequency and length of each committee's meetings. Minutes of each committee meeting shall be kept and made available to the Directors upon request.

Committee members will be appointed by the Board with consideration of the desires of individual Directors and skills. Consideration will be given to rotating committee members periodically.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

## 4. PROCEDURES TO ENSURE EFFECTIVE OPERATION

The Chair of the Board (the "Chair") shall have the duties and responsibilities as set out in the Position Description of the Chair of the Board, which shall include the responsibility to managing such duties and responsibilities as the Board may establish

from time to time. The Chair need not be independent of management, however, if the Chair is not independent then the Board will appoint a Lead Director.

The Board may invite such officers and employees of the Company and such other advisors as it may see fit from time to time to attend meetings of the Board and participate in the discussion of any matter.

The independent directors may meet after each regularly scheduled meeting of the Board, and when otherwise deemed necessary (with a separate meeting being held at least yearly), without any member of the Company's management present for the purposes of discussing such matters as they deem appropriate.

The Board requires management to run the day-to-day operations of the Company, including internal controls and disclosure controls and procedures.

## **5. Management of Risk**

The Board shall understand the principal risks of all aspects of the business in which the Corporation is engaged, recognizing that business decisions require the incurrence of risk. The Board is responsible for providing a balance between risks incurred and the potential returns to shareholders of the Corporation. This requires that the Board ensure that systems are in place to effectively monitor and manage risks with a view to the long-term viability of the Corporation and its assets, and conduct an annual review of the associated risks.

## **6. Oversight of Management**

As the Board functions, the Board must ensure the execution of plans and operations are of the highest caliber. The key to the effective discharge of this responsibility is the approval of the appointment of the senior officers of the Corporation and the assessment of each senior officer's contribution to the achievement of the Corporation's strategy. In this respect, performance against objectives established by the Board is important, as is a formal process for determining the senior officers' compensation, in part, by using established criteria and objectives for measuring performance. To the extent feasible, the Board should also satisfy itself as to the integrity of the chief executive officer and other executive officers, and that such officers create a culture of integrity throughout the Corporation.

**"Executive officer"** has the meaning set out in National Instrument 51-102 *Continuous Disclosure Obligations*.

## **7. Succession Planning**

On a regular basis, the Board shall review a succession plan, developed by management, addressing the policies and principles for selecting a successor to the Chief Executive Officer ("**CEO**") and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan

should include an assessment of the experience, performance, skills, training and planned career paths for possible successors to the CEO currently in the Corporation's senior management.

## **8. Expectations and Responsibilities of Board Members**

- a. *Financial Knowledge.* One of the most important roles of the Board is to monitor financial performance. Each member of the Board must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.
- b. *Other Directorships.* The Corporation values the experiences Board members bring from other boards on which they serve, but recognizes that those boards may also present demands on a member's time and availability, and may also present conflicts of interest or other legal issues. Members of the Board should advise the Chair of the Corporate Governance and Nominating Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.
- c. *Contact with Management.* All members of the Board are invited to contact the CEO at any time to discuss any aspect of the Corporation's business. While respecting organizational relationships and lines of communication, members of the Board have complete access to other members of management. There shall be afforded frequent opportunities for members of the Board to meet with the CEO, chief financial officer and other members of management in Board and committee meetings and in other formal or informal settings.
- d. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board shall maintain the confidentiality of information received in connection with his or her services.
- e. *Preparation for Meetings.* All members of the Board should make every effort to review all meeting materials prior to meetings of the Board and meetings of committees of which they are members.

## **9. Shareholder Communications and Disclosure**

- a. The Board is responsible to ensure that the Corporation has policies in place to ensure effective and timely communication and disclosure to the shareholders of the Corporation, other stakeholders and the public in general. This communication and disclosure policy must effectively and fairly present the operations of the Corporation to shareholders and should accommodate feedback from stakeholders, which should be considered into future business decisions.

- b. The Board has the responsibility for ensuring that the financial performance of the Corporation is reported to shareholders on a timely and regular basis and for ensuring that such financing results are reported fairly, in accordance with generally accepted accounting principles.
- c. The Board has the responsibility for ensuring that procedures are in place to effect the timely reporting of any developments that have a significant and material impact on the value of shareholder assets.
- d. The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.

#### **10. Integrity of Corporate Control and Management Information Systems**

- a. To effectively discharge its duties, the Board shall ensure that the Corporation has in place effective control and information systems so that it can track those criteria needed to monitor the implementation of the Corporation's strategy.
- b. Similarly, in reviewing and approving financial information, the Board shall ensure that the Corporation has an audit system, which can inform the Board of the integrity of the data and compliance of the financial information with generally accepted accounting principles.
- c. The Board's management of the important areas of corporate conduct, such as the commitment of the Corporation's assets to different businesses or material acquisitions, shall also be supported by effective control and information systems.

#### **11. Legal Requirements**

The Board is responsible for ensuring that routine legal requirements, documents, and records have been properly prepared, approved and maintained by the Corporation.

#### **12. Limitation**

The foregoing is (i) subject to and without limitation of the requirement that in exercising their powers and discharging their duties, the members of the Board act honestly and in good faith with a view to the best interests of the Corporation; and (ii) subject to, and not in expansion of the requirement, that in exercising their powers and discharging their duties the members of the Board exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### **13. Assessments**

- a. The members of the Board will collectively assess the performance of the Board as a whole, the committees of the Board and all directors with reference to their respective mandates, charters or terms of reference.

Individual directors will be assessed with reference to any applicable position descriptions, as well as the competencies and skills that each director is expected to bring to the Board.

- b. Such assessment will occur informally and on an annual basis, with an emphasis on the overall effectiveness and contributions made by the Board as a whole, the committees of the Board and all directors individually.

Approved by the Board of Directors on \_\_23 August\_\_202(4)