

## **AQUILA RESOURCES INC.**

### **BOARD OF DIRECTORS CHARTER**

#### **PURPOSE**

**Adopted November 12, 2015**

**Amended January 15, 2019**

The Board of Directors (the “**Board**”) is elected annually by the shareholders of Aquila Resources Inc. (the “**Corporation**”) to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation. The Board shall assume responsibility for the stewardship of the Corporation by undertaking the following:

- Review and approve the strategic plan and business objectives of the Corporation that are submitted by executive management and monitor the implementation by executive management of the strategic plan. During at least one meeting each year, the Board will review the Corporation’s long term strategic plans and the principal issues that the Corporation expects to face.
- Review the principal strategic, reporting, operating and compliance risks for the Corporation and oversee, with the assistance of the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Technical, Environmental, Health & Safety Committee, the implementation and monitoring of appropriate risk management systems and the monitoring of risks.
- Ensure, with the assistance of the Nomination, Compensation and Corporate Governance Committee, the effective functioning of the Board and its committees in compliance with the corporate governance requirements of applicable laws, regulatory requirements and policies of the Canadian Securities Administrators.
- Ensure, with the assistance of the Audit Committee, that internal controls and management information systems for the Corporation are adequately designed, implemented and monitored and reviewed periodically.
- With the assistance of the Nomination, Compensation and Corporate Governance Committee, assess the performance of the Corporation’s executive management, including oversight of the appropriate training, performance reviews and succession planning.
- Be responsible for the hiring/firing of the Chief Executive Officer (CEO), the role of the CEO and the performance review of the CEO, including the development of policies and principles for CEO selection and performance review and policies regarding CEO succession.
- Monitor the compensation levels of executive management based on determinations and recommendations made by the Nomination, Compensation and Corporate Governance Committee.
- Review and, where appropriate, approve the recommendations made by the various committees of the Board, including, without limitation, to: select nominees for election to the Board; appoint

directors to fill vacancies on the Board; appoint members of the various committees of the Board; and establish the form and amount of director compensation.

## **COMPOSITION**

The election, appointment and removal of directors shall occur in accordance with the Corporation's by-laws and all applicable legislation. A majority of the Board shall meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

The Board should be comprised of that number of individuals which will permit the Board's effective functioning. The Board should collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight and stewardship of the Corporation's business. All such factors will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. In maximizing the Board's effectiveness, the Corporation takes a long-term, sustainable and measured approach. All Board appointments shall be based on merit, with the primary consideration being to maintain and enhance the Board's overall effectiveness.

The Corporation recognizes the importance of women having representation at key decision making points in organizations and is supportive of the requirements of the Canadian Securities Administrators in this regard. Accordingly, as one factor in the foregoing analysis, the Board shall consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election.

The Board shall not be required to establish a limit on the number of times a Director may stand for election, but shall consider nominations for re-election in the context of seeking an optimum composition to maximize overall effectiveness

## **COMMITTEES**

The Board may delegate authority to individual directors and committees where the Board determines it is appropriate to do so. The Board expects to accomplish a substantial amount of its work through committees and shall maintain at least the following two committees: Audit Committee and the Nomination, Compensation and Corporate Governance Committee. The Board may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board, summarizing the committee's actions and any significant issues considered by the committee

## **RESPONSIBILITIES**

The mandate of the Directors is the stewardship of the Corporation, and their responsibilities include, without limitation to their general mandate (as outlined above under "Purpose"), the following specific responsibilities:

1. Review, assess and update this Charter periodically, as conditions dictate.
2. Develop, together with the appropriate committee(s) of the Board, the Corporation's approach to: (i) the nomination of the Directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the Directors; and (iv) matters relating to strategy, financial reporting and internal controls.

3. Maintain a high standard for integrity and work ethic within the Board and management of the Corporation.
4. With the assistance of the Nomination, Compensation and Corporate Governance Committee:
  - (a) review the composition of the Board and ensure it respects the objectives of this Charter;
  - (b) assess the effectiveness of the Board, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate number of the directors;
  - (c) ensure that an appropriate review and selection process for new nominees as directors is in place;
  - (d) identify the principal non-financial enterprise risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks;
  - (e) ensure that an appropriate orientation and education program for new directors is in place; and
  - (f) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communication policies of the Corporation.
5. With the assistance of the Audit Committee:
  - (a) ensure the integrity of the Corporation's internal controls and management information systems;
  - (b) ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;
  - (c) identify the principal financial risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks; and
  - (d) review and approve significant operational and financial matters and provide direction to management on these matters.
6. Approve and adopt a strategic plan defining the longer-term objectives and accomplishments aspired for the organization and monitor the performance of the Corporation against the strategic plan.
7. Monitor and review feedback provided by the Corporation's various stakeholders.
8. Review major decisions which require the approval of the Board and approve such decisions as they arise.
9. Perform such other functions as prescribed by law or assigned to the Board in the by-laws of the Corporation.

## **MEETINGS**

The Board will meet not less than four times per year (three meetings to review quarterly results and one meeting to approve the annual audited financial statements) and more frequently as circumstances

require. All members of the Board should strive to be at all meetings. Subject to the Corporation's by-laws, a quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then holding office and, notwithstanding any vacancy among the number of directors, a quorum of directors may exercise all of the powers of the directors.

The independent Directors of the Board may meet separately, periodically, without executive management, and may request any member of executive management or the Corporation's outside counsel or independent auditor to attend meetings of the Board or with advisors thereto.

The chair of the Board (the "Chair") should be an independent director. However, if at any time the Chair is not an independent director, a lead director (the "Lead Director") will be appointed from among the independent directors. The Lead Director will act as an effective leader of the Board in respect of matters required to be considered by the independent directors, and will ensure that the Board's agenda will enable it to successfully carry out its duties.

Minutes shall be maintained for all meetings together with copies of materials presented at meetings and copies be made available to all Board members, with the exception of special meetings of the independent Directors for which the maintenance and distribution of minutes shall be at the discretion of the Chair.

The Chair, in consultation with management, will develop the agenda for each Board meeting. Agendas will be distributed to the Directors before each meeting, and all Directors shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Board in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

#### **INDEPENDENT ADVICE**

In discharging its mandate, the Board shall have the authority to retain, at the expense of the Corporation, special legal, accounting or other advisors as the Board determines to be necessary to permit it to carry out its duties.

#### **MEASURES FOR RECEIVING FEEDBACK**

All publicly disseminated materials shall provide for a mechanism for feedback from the Corporation's stakeholders.

Approved, January 2019