



FORM 58-10F2

(As at February 7, 2022 and in Canadian dollars, except where indicated)

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed in this Form 58-10F2 below.

1. Board of Directors

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation’s internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting Shareholders’ interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation’s business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Corporation is authorized to act without Board approval, on all ordinary course matters relating to the Corporation’s business.

The Board also monitors the Corporation’s compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for the appointment of the CEO, Chairman and other senior management and monitoring of their performance.

The Board has adopted a written mandate or code setting out the foregoing obligations, which supplements the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Corporation.

The Board considers that the following directors are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Andrea Zaradic, Barakat Balmelli and Vianney Mathonnet. The Board considers that Lewis Reford, CEO of the Corporation is not independent, because he is a member of management.

The Board facilitates its exercise of independent supervision over the Corporation’s management through regular meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of each of the Corporation’s last two financial years, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Corporation’s business.

The Chairman of the Board is responsible for presiding over all meetings of the directors and Shareholders. He is not an independent director however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent chairman of the Board in exercising their duties as directors.

2. Descriptions of Roles

The Board has not established written descriptions of the positions of CEO, Chairman or chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, CEO, Chairman or committee. The role of chair is delineated by the nature of the overall responsibilities of the Board or the committee.

The Board has not set limits on the objectives to be met by the CEO or the Chairman, but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

3. Directorships

Certain of the directors are presently a director of one or more other reporting issuers, as follows:

Director	Other Reporting Issuers
Andrea Zaradic	Kootenay Silver Inc.
Barakat Balmelli	N/A
Lewis Reford	N/A
Vianney Mathonnet	N/A
Vincent Gueneau ⁽¹⁾	N/A

¹Resigned as Executive Chairman effective July 25, 2021

4. Orientation and Continuing Education

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding their role as a member of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background since each new director brings a different skill set and professional background. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The third and final step is the Corporation provides a copy of its Board Policy Manual, which sets out a comprehensive introduction to the Board and its committees, to each new director.

The Board takes the following measures to provide continuing education for its directors to maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board annually reviews its Charters, Policies and Mandate which comprise the Board Policy Manual; and
- there are technical presentations at Board meetings, focusing on either a particular property or a summary of various properties. The 'question and answer' portions of these presentations are a valuable learning resource for the non-technical directors.

5. Ethical Business Conduct

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants.
- has established a Corporate Governance Committee.
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis ("MD&A") and press releases prior to distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation's external auditor.

- actively monitors the Corporation's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

6. Nomination of Directors

To identify new candidates for nomination for election as directors, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under "Particulars of Matters to be Acted Upon – 4. Election of Directors" and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as directors.

7. Other Board Committees

In addition to the Audit Committee, described in the next section, the Board has established a Compensation Committee, and a Corporate Governance Committee.

Committees of the Board are composed of independent and non-independent directors. The functions and members of these committees are described below.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Board, senior management and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation.

The Committee consists of three directors, all of whom are independent (outside, non-management directors Andrea Zaradic – Chairperson, Barakat Balmelli and Vianney Mathonnet). Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded companies so that they are familiar with remuneration in the Corporation's industry.

For further details on the role of the Compensation Committee, refer to "Compensation Discussion and Analysis".

Corporate Governance Committee: The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is also responsible for assisting in the recruitment of new directors.

Following the resignation of Vincent Gueneau from the Board, the Committee consists of two directors, one of whom is independent (outside, non-management director) (Barakat Balmelli) and one of whom is not independent (Lewis Reford).

8. Assessments

The Board and the Corporate Governance Committee have not established a process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.