

## **SPHINX RESOURCES LTD.**

### **CHARTER OF THE BOARD OF DIRECTORS**

#### **I. PURPOSE**

The Board of Directors (the “Board”) of Sphinx Resources Ltd. (“Sphinx” or the “Corporation”) is responsible for the stewardship of the business and for acting in the best interests of the Corporation, its shareholders and other stakeholders. The Board will discharge its responsibilities directly and through its committees.

The Board shall meet at least quarterly to review the business, operations, corporate governance and financial results of the Corporation.

Meetings of the Board shall also include meetings, as required, of the independent members of the Board without management being present.

#### **II. COMPOSITION**

The Board shall be constituted at all times of a majority of independent directors in accordance with Multilateral Instrument 58-201. The Chairman of the Board should also be independent or alternatively the Board will appoint an independent lead director. A director is considered to be ‘independent’ if he or she has no direct or indirect material relationship which could in the view of the Board reasonably interfere with the exercise of a director’s independent judgment. Notwithstanding the foregoing, a director shall be considered to have a material relationship with the Corporation (and therefore shall be considered a “non-independent” director) if he or she falls in one of the categories listed in Schedule “A” attached hereto.

#### **III. RESPONSIBILITIES**

The Board’s mandate is the stewardship of the Corporation and its responsibilities include, without limitation of its general mandate, the following specific responsibilities:

- The assignment to committees of directors of the Corporation the general responsibility for developing the Corporation’s approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors, officers and employees; and (iii) corporate governance issues and matters relating to nomination of directors.
- The formation of committees of the Board when it is deemed appropriate by the Board to deal with specific issues that arise.
- With the assistance of the Corporate Governance and Nominating Committee:
  - ✓ Developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Corporation.

- ✓ Reviewing the composition of the Board and ensuring it meets its independence criteria.
- ✓ To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the Corporation.
- ✓ Assessing at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, considering the appropriate size of the Board.
- ✓ Ensuring that an appropriate review and selection process for new nominees to the Board is in place.
- ✓ Ensuring that an appropriate orientation and education program for new members of the Board is in place.
- ✓ Approving disclosure and securities compliance policies, including communications policies of the Corporation.
- ✓ Reviewing and approving the formal charters of the committees of the Board.
- With the assistance of the Audit and Risk Management Committee:
  - ✓ Ensuring the integrity of the Corporation's internal controls and management information systems.
  - ✓ Ensuring the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents.
  - ✓ Identifying the principal risks of the Corporation's business and ensuring that appropriate systems are in place to manage these risks, including, without limitation, implementing currency and metals hedging programs, as deemed appropriate.
  - ✓ Reviewing and approving significant operational and financial matters and providing direction to management on these matters.
  - ✓ Approving annual and interim financial statements of the Corporation together with the annual management's discussion and analysis, unless such approval is specifically delegated to the Audit Committee of the Board.
  - ✓ As required and agreed upon, providing assistance to shareholders concerning the integrity of the Corporation's reported financial performance.

- With the assistance of the Human Resources and Compensation Committee:
  - ✓ Establishing appropriate performance criteria for the senior management of the Corporation, and approving the overall compensation of the senior management and the directors.
- With the assistance of the Chief Executive Officer, monitoring and reviewing feedback provided by the Corporation's shareholders.
- Succession planning including selecting, appointing, training, monitoring, evaluating and, if necessary, replacing senior management to ensure management succession.
- Adopting a strategic planning process and approving, at least annually, a strategic plan that takes into account business opportunities and business risks identified by the Board and/or a committee of the Board and monitoring performance against such plans.
- Reviewing and approving corporate objectives and goals applicable to the Corporation's senior management and monitoring realization of those objectives.
- Reviewing with senior management:
  - ✓ major corporate decisions which require approval of the Board and approving such decisions as they arise;
  - ✓ major capital expenditure decisions in excess of thresholds previously authorized in a budget or by resolution of the Board; and
  - ✓ material decisions relating to senior personnel, major property acquisitions or divestments, major investments, and other decisions, where deemed appropriate.
- Performing such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents and by-laws.

#### **IV. MISCELLANEOUS**

1. The members of the Board are expected to attend all meetings of the Board unless prior notification of absence is provided.
2. The members of the Board are required to have reviewed meeting materials provided in advance of the meeting and be prepared to discuss such materials at the meeting, to actively participate in deliberations, and to take full responsibility for decisions of the Board.
3. Members of the Board will treat their fellow Board members with respect.
4. The members of the Board should endeavour to avoid conflicts between their own personal interests and those of the Corporation and, where conflicts exist, to fully disclose such conflicts to the Board and refrain from participating in decisions relating to the subject matter of such conflicts.

Approved by the Board of Directors of Sphinx on September 5, 2017.

## SCHEDULE "A"

Subject to the exemptions available under Multilateral Instrument 52-101 Audit Committees, the following individuals are considered to have a material relationship with the Corporation:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
- (c) an individual who:
  - (i) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the Corporation's internal or external auditor;
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serves or served at the same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Corporation if the compensation is not contingent in any way on continued service.