



ALMONTY INDUSTRIES INC.

MANDATE OF THE BOARD OF DIRECTORS

May 28, 2021

The Board of Directors (the “**Board**”) of Almonty Industries Inc. (the “**Corporation**”) believes that the appropriate mix of skills, experience, age and gender will help to enhance its performance. The Board’s composition should reflect business experience compatible with the Corporation’s business objectives.

Fiduciary Duty and Duty of Care

The Board’s fundamental relationship with the Corporation is guided by a fiduciary principle that requires each director to act honestly and in good faith with a view to the best interests of the Corporation. In exercising their powers and discharging their duties, every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. These principles require a director to put the Corporation’s interests first, avoid conflicts of interest and avoid exploiting business opportunities of the Corporation for self-interested purposes. This mandate is not intended to expand upon the standards of conduct prescribed under statutory or regulatory requirements for directors of a corporation.

The Board may designate the officers of the Corporation, specify their duties and delegate to them powers to manage the day to day business and affairs of the Corporation. In addition, the Board discharges its responsibilities through standing committees such as the Audit and Risk Management Committee and the Nomination, Compensation and Corporate Governance Committee and may also periodically form special committees to address specific issues of a more short-term nature. The duties and responsibilities delegated to standing committees of the board are prescribed in the charters for such standing committees.

Additionally, absent actual knowledge to the contrary, the Board shall be entitled to rely on (i) the integrity of those persons or organizations within or outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided by such persons or organizations, and (iii) representations made by management and such persons or organizations in relation to any services provided by such persons or organizations to the Corporation and its subsidiaries.

Meetings

The Board shall meet at least four times annually, or more frequently, as circumstances dictate. In addition, the Board shall hold separate, regularly scheduled meetings of independent directors at which members of management are not present.

Independent Directors

An independent director is a non-executive director who is free of any interest, position, association or relationship that might influence, or could reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

Where a director is in a position that might cause doubts or raise issues about the independence of a director, the Board should rule the director not to be independent unless it is clear that the interest, position or relationship in question is not material and will not interfere with the director's ability to bring an independent mind to issues or to act in the Company's best interests as a whole.

Family ties and cross directorships which may relate to the Company or its business may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by Directors to the Board. The Board will:

- regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules and the TSX Company Manual and applicable Canadian securities laws; and
- review the independence of any director who has served in that position for more than 10 years to confirm that their independent status can be maintained.

Senior manager

A senior manager is a manager who is a member of the key management personnel of the Company, including an executive director but not including a non-executive director.

The senior management team will usually be responsible for implementing the entity's strategic objectives and instilling and reinforcing its values, all while operating within the values, code of conduct, budget and risk appetite set by the Board.

The senior management team will also usually be responsible for providing the Board with accurate, timely and clear information on the entity's operations to enable the Board to perform its responsibilities. This is not just limited to information about the financial performance of the Company, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the entity.

Position Descriptions

The Board has developed position descriptions for the Chair of the Board, the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the Corporate Secretary. The Board shall review such position descriptions from time to time, as required.

Chair of the Board

The Chair is responsible for overseeing the operations and affairs of the Board. In fulfilling his or her duties, the Chair will be responsible for:

- providing leadership to foster the effectiveness of the Board;
- ensuring there is an effective relationship between the Board and senior management, including by acting as a liaison between the Board and senior management;
- acting as an advisor to senior management in matters concerning the interests of the Corporation;
- ensuring that the appropriate committee structure is in place and assisting the Nomination, Compensation and Corporate Governance Committee in making recommendations for appointment to such committees;
- in consultation with the other members of the Board and the CEO, preparing the agenda for each meeting of the Board;
- ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- chairing Board meetings and sessions of independent directors, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that decisions are reached and accurately recorded;
- chairing all shareholder meetings;
- together with the Nomination, Compensation and Corporate Governance Committee, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board’s committees and individual directors with a view to ensuring that they are fulfilling their respective responsibilities and duties, and making recommendations to the Nomination, Compensation and Corporate Governance Committee for changes when appropriate and undertaking such an evaluation no less frequently than annually;
- consulting with the Nomination, Compensation and Corporate Governance Committee on candidates for nomination or appointment to the Board;
- monitoring shareholder communication and continuous disclosure generally and for compliance with the Disclosure Policy and Communication Policy;

- working with the CEO to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the CEO any issues that are preventing the Board from being able to carry out its responsibilities; and
- providing additional services required by the Board.

Chief Executive Officer

The CEO is primarily responsible for the overall management of the business and affairs of the Corporation. In this capacity, the CEO shall establish the strategic and operational priorities of the Corporation and provide leadership for the effective overall management of the Corporation. In fulfilling these duties, the CEO will be responsible for:

- implementing the policies and strategy set by the Board;
- developing annual business plans and budgets for the Board's approval that support the Corporation's long-term strategy;
- consistently striving to achieve the Corporation's short and long-term financial and operating goals and objectives;
- providing leadership and vision, and maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Corporation's strategy;
- fostering a corporate culture that promotes integrity and ethical values throughout the organization, including setting the tone by meeting the highest ethical standards;
- developing and motivating the executive officers of the Corporation and providing overall management to ensure the effectiveness of the leadership team;
- serving as the Corporation's chief spokesperson and ambassador;
- ensuring compliance by the Corporation with all applicable laws, rules and regulations, as well as the Corporation's Code of Business Conduct, corporate governance policies and any other policies adopted by the Board from time to time; and
- ensuring that the Board remains fully informed through direct communication with the Chair for all significant matters, and dealing with the Board in a manner that ensures that the Board is able to provide the best counsel and advice possible.

In carrying out those responsibilities, the CEO must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Corporation's financial condition and operational results.

Chief Financial Officer

The CFO is primarily responsible for the planning, implementation, managing and running of the financial activities of the company. The specific responsibilities the CFO has carriage over include:

- analysing, advising, developing, formulating, communicating and overseeing the Corporation's financial policies, including in the Company's tax, capital and liquidity policies;
- reporting on the Corporation's financial performance;
- overseeing and ensuring the integrity of the Corporation's internal and external financial reporting;
- ensuring timely and adequate provision of information to the Board about the financial state of affairs of the Corporation; and
- overseeing and evaluating, together with the CEO (if appropriate), the processes for maintaining the integrity of the Corporation with regard to the financial statements and other public disclosures and certifying their effectiveness as required in reports and documents that the Corporation files with, or submits to, the relevant securities regulators.

In carrying out these responsibilities, the CFO must, where appropriate, liaise with and report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Corporation's financial condition.

Corporate Secretary

The role of the Corporate Secretary is to support the effectiveness of the Board and the committees. In carrying out these responsibilities, the Corporate Secretary is accountable directly to the Board in the performance of this role which includes without limitation:

- advising the Board and the committees of governance matters;
- monitoring compliance with Board and committee policy and procedures;
- coordinating the timely completion and delivery of Board and committee papers; and
- assisting generally with the proper functioning of the Board.

Responsibilities

The Board is elected by the shareholders and represents all shareholders' interests in continuously creating shareholder value. The responsibilities of the Board include the following:

- Advocate and support the best interests of the Corporation.
- Review and approve strategic, business and capital plans for the Corporation and monitor management's execution of such plans.

- Review whether specific and relevant corporate measurements are developed and adequate controls and information systems are in place with regard to business performance.
- Review the principal risks of the Corporation's business and pursue the implementation by management of appropriate systems to manage such risks.
- Monitor progress and efficiency of strategic, business and capital plans and require appropriate action to be taken when performance falls short of goals.
- Review measures implemented and maintained by the Corporation to ensure compliance with statutory and regulatory requirements.
- Select, evaluate and compensate the CEO.
- Annually review appropriate senior management compensation programs.
- Monitor the practices of management against the Corporation's disclosure policy to ensure appropriate and timely communication to shareholders of material information concerning the Corporation.
- Monitor safety and environmental programs.
- Monitor the development and implementation of programs for management succession and development.
- Approve selection criteria for new candidates for directorship.
- Provide new directors with a comprehensive orientation and provide all directors with continuing education opportunities.
- Assure shareholders of conformity with applicable statutes, regulations and standards (for example, environmental risks and liabilities and conformity with financial reporting requirements).
- Establish the necessary committees to monitor the Corporation.
- Regularly conduct assessments of the effectiveness of the Board, as well as the effectiveness and contribution of each Board committee and of each individual director.
- Provide advice to and act as a sounding board for the CEO.
- Discharge such other duties as may be required in the good stewardship of the Corporation.

The Board shall also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

The Board also assumes responsibility for the following approvals:

Financial Approvals:

- Strategic plan
- Annual business and capital plans
- Annual financial statements and auditors' report, together with management's discussion and analysis and press release
- Quarterly financial statements, together with management's discussion and analysis and press release
- Budgeted capital expenditures
- Unbudgeted capital expenditures in excess of \$50,000
- Acquisitions/divestitures
- Significant financing or refinancing opportunities
- Dividend policy
- Share re-purchase programs
- Individual operating, real property or capital leases having total commitment in excess of \$100,000

Human Resources Approvals:

- Appointment/succession/dismissal of CEO*
- Compensation of CEO*
- Executive compensation arrangements and incentive plans*

Administration and Compliance Approvals:

- Appointment of members to the committees of the Board and the chairs of such committees
- Nomination of directors
- Recommendation of auditors to the shareholders*
- Management information circular and related materials
- Appointment of the Chair of the Board
- Major policies*

Review of Charter

The Board will review and reassess this Mandate at least annually and, if required, make any amendments to the Mandate.

* Board may delegate to committees

Last Update: May 28, 2021

Approved by: Board of Directors