

BOARD OF DIRECTORS MANDATE

The Board of Directors (the “**Board**”) of Steppe Gold Ltd. (the “**Company**”) is responsible for the stewardship of the business and affairs of the Company. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company’s strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Company in their management of its day-to- day business and affairs. The Board’s primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Company is able to successfully execute its strategic plans and complete its corporate objectives. The composition, responsibilities, and authority of the Board are set out in this Mandate.

This Mandate and the Articles of the Company and such other procedures, not inconsistent therewith, as the Board may adopt from time to time, shall govern the meetings and procedures of the Board.

1. Composition

- 1.1 The directors of the Company (“**Directors**”) should have a mix of competencies and skills necessary to enable the Board and Board committees to properly discharge their responsibilities.
- 1.2 The Nominating and Corporate Governance Committee will annually (and more frequently, if appropriate) recommend candidates to the Board for election or appointment as Directors, taking into account the Board’s conclusions with respect to the appropriate size and composition of the Board and Board committees, the competencies and skills required to enable the Board and Board Committees to properly discharge their responsibilities, and the competencies and skills of the current Board.
- 1.3 The Board approves the final choice of candidates.
- 1.4 The shareholders of the Company elect the Directors annually.
- 1.5 The Board has determined that a majority of the Directors will be “independent” as defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges, all as set out in the Company’s Director Independence Policy.
- 1.6 The Board will appoint a Chair from among its members. If the Chair is not independent, the Board will designate one of the independent Directors as the Lead Director to facilitate the functioning of the Board independently of management of the Company. The Chair and, if appointed, the Lead Director, shall hold office at the pleasure of the Board until successors have been duly appointed or until the Chair or Lead Director, as applicable, resign, or are otherwise removed from office by the Board.
- 1.7 The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Board. In the absence of the Corporate Secretary at any meeting, the Board will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

2. Responsibilities

- 2.1 The Board is responsible for supervising the management of and setting strategic direction for the business and affairs of the Company and its subsidiary entities (the “**Group**”).
- 2.2 In discharging their responsibilities, the Directors owe the following fiduciary duties to the Company:
 - (a) *a duty of loyalty*: they must act honestly and in good faith with a view to the best interests of the Company; and
 - (b) *a duty of care*: they must exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- 2.3 In discharging their responsibilities, the Directors are entitled to rely on the honesty and integrity of the senior officers of the Company and the independent auditors and other professional advisers of the Company, subject to the Directors’ duty of care.
- 2.4 In discharging their responsibilities, the Directors are also entitled to directors’ and officers’ liability insurance purchased by the Company and indemnification from the Company to the fullest extent permitted by law and the constating documents of the Company.
- 2.5 The Board has specifically recognized its responsibilities for:

- (a) hiring a Chief Executive Officer (the “CEO”) and other senior officers who it believes will act with integrity and create a culture of ethical business conduct throughout the Group;
- (b) adopting a strategic planning process and approving annually (or more frequently if appropriate) a strategic plan which takes into account, among other things, the opportunities and risks of the business of the Company;
- (c) overseeing the identification of the principal risks of the business of the Company and overseeing the implementation of appropriate systems to manage these risks;
- (d) overseeing the integrity of the internal control and management information systems of the Company;
- (e) succession planning, including (with assistance from the CEO) appointing, training, monitoring and replacing the senior officers of the Company;
- (f) ensuring that the Company operates at all times within applicable laws and regulations and to the highest ethical standards;
- (g) approving and monitoring compliance with significant policies and procedures by which the Company is operated;
- (h) developing strong corporate governance policies and procedures for the Company;
- (i) ensuring the Company has in place a disclosure policy to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally and receive shareholder feedback;
- (j) ensuring that the Company’s financial results are reported fairly and in accordance with generally accepted accounting standards; and
- (k) ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Company.

2.6 It is expected that each director must be able to devote sufficient time to discharge their responsibilities effectively. In order to facilitate this, the Board has adopted a policy limiting the number of boards considered appropriate for directors, having regard to whether they are independent directors or members of management. Specifically, in the case of the CEO, he shall not sit on more than two outside public company boards in addition to that of the Company, and in the case of a non-management director, he shall not sit on more than five outside public company boards in addition to that of the Company.

2.7 Directors are expected to attend Board meetings, meetings of Board committees of which they are members and, where practicable, the annual meeting of the shareholders of the Company. Directors are also expected to spend the time needed, and to meet as frequently as necessary, to discharge their responsibilities.

2.8 Directors are expected to comply with the Code of Business Conduct and Ethics of the Company and any related policies or codes duly approved dealing with business conduct and ethics.

3. Authority

3.1 The Board is authorized to carry out its responsibilities as set out in this Mandate.

3.2 The Board is authorized to retain, and to set and pay the compensation of independent legal counsel and other advisers if it considers this appropriate.

3.3 The Board is authorized to invite officers and employees of the Company and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings, if it considers this appropriate.

3.4 The Directors will have unrestricted access to the officers and employees of the Company. The Directors will use their judgment to ensure that any such contact is not disruptive to the operations of the Company and will, to the extent appropriate, advise the Chief Executive Officer of the Company of any direct communications between them and the officers and employees of the Company.

3.5 The Board and the Directors have unrestricted access to the advice and services of the Corporate Secretary

and outside auditors and legal counsel.

- 3.6 The Board may delegate certain of its functions to Board committees, each of which may have its own charter or mandate. The following committees are currently constituted and are authorized to carry out the duties set out in their respective charters or mandates:

| <u>Board Committee</u> | <u>Charter or Mandate</u> |
|---|---|
| Audit Committee | Audit Committee Charter |
| Compensation Committee | Compensation Committee Charter |
| Nominating and Corporate Governance Committee | Nominating and Corporate Governance Committee Charter |

4. Delegation to Management

- 4.1 To assist the Directors in discharging their responsibilities, the Board expects management of the Company to:

- (a) review and update annually (or more frequently if appropriate) the Company's strategic plan, and report regularly to the Board on the implementation of the strategic plan in light of evolving conditions;
- (b) prepare and present to the Board annually (or more frequently if appropriate) a business plan and budget, and report regularly to the Board on the Company's performance against the business plan and budget;
- (c) report regularly to the Board on the Company's business and affairs and on any matters of material consequence for the Company and its shareholders;
- (d) speak for the Company in its communications with shareholders and the public in accordance with the Company's Disclosure Policy;
- (e) comply with any additional expectations that are developed and communicated during the annual strategic planning and budgeting process and during regular Board and Board committee meetings; and
- (f) consult the Board with respect to all matters which by law require Board approval and, specifically, as to those matters set out in any delegation of authority policy or other similar directive.

- 4.2 The Board expects the Chief Executive Officer to fulfill the mandate, duties and responsibilities as set out in the Chief Executive Officer Mandate.

5. Meetings and Proceedings

- 5.1 Board meetings and proceedings shall be carried out in accordance with the Company's By-Law Number 1.

- 5.2 The Secretary or his delegate shall keep minutes of all meetings of the Board, including all resolutions passed by the Board. Minutes of meetings shall be distributed to the Directors after preliminary approval thereof by the Chair.

- 5.3 An individual who is not a Director may be invited to attend a meeting of the Board for all or part of the meeting.

- 5.4 The independent Directors shall meet regularly alone to facilitate full communication.

6. Self-Assessment

- 6.1 The Board shall, together with the Nominating and Corporate Governance Committee, at least annually, assess the Board's effectiveness with a view to ensuring that the performance of the Board accords with best practices.

- 6.2 The Board shall annually review this Mandate and update it as required.

7. Responsibilities of Chair

- 7.1 The Chair shall provide leadership to the Board to enhance the Board's effectiveness, including:
- (a) ensuring that the responsibilities of the Board are well understood by both management and the Board and acting as a liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner;
 - (b) ensuring that the Board works as a cohesive team with open communication;
 - (c) ensuring that the resources available to the Board (in particular, timely and relevant information) are adequate to support its work;
 - (d) together with the Nominating and Corporate Governance Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
 - (e) together with the Nominating and Corporate Governance Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.
- 7.2 The Chair is responsible for managing the Board, including:
- (a) preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (b) chairing all meetings of the Board in a manner that promotes meaningful discussion;
 - (c) adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (d) ensuring meetings are appropriate in terms of frequency, length and content;
 - (e) ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board; and
 - (f) working with the Nominating and Corporate Governance Committee in approaching potential candidates once potential candidates are identified, to explore their interest in joining the board.
 - (g) fulfills the mandate and responsibilities as set out in the position description for the Chairman of the Board.
- 7.3 The Chair is responsible for chairing the meeting of shareholders of the Company, or delegating such duty to an appropriate member of the Board or Management.
- 7.4 The Chair is responsible for liaising with and, where appropriate, providing direction to the activities of the Corporate Secretary.
- 7.5 At the request of the Board, the Chair shall represent the Company to external groups such as shareholders and other stakeholders, including community groups and governments.
- 7.6 The Chair may delegate or share, where appropriate, certain of the above responsibilities with any independent committee of the Board.

Last approved: October 2, 2017

Approved by: Board of Directors