

HERCULES METALS CORP.

MANDATE OF THE BOARD OF DIRECTORS

Subject to the constating documents of Hercules Metals Corp. (the “**Company**”) and applicable law, the Board of Directors of the Company (the “**Board**”) has a responsibility for the stewardship of the Company, including the responsibility to supervise the management of and oversee the conduct of the business of the Company; provide leadership and direction to management and consider management’s performance in conjunction with the Company’s compensation plans; set policies appropriate for the business of the Company; and approve corporate strategies and goals.

The Board’s fundamental objective is to protect and preserve shareholder value by fostering strong corporate governance practices through its leadership and direction of management and guidance of the Company’s strategic direction.

COMPOSITION

A majority of the Board shall be independent from the Company. For the purposes of this Mandate, the definition of “**independent**” shall be the definition set out in National Instrument 52-110 *Audit Committees*, namely that a director is independent if they have no direct or indirect relationship with the Company that could, in the view of the other members of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The directors will be elected each year by the shareholders of the Company at the annual general meeting of shareholders. The Corporate Governance, Nominating and Compensation Committee will recommend to the full Board nominees for election to the Board and the Board will propose nominees to the shareholders for election as directors for the ensuing year.

DUTIES AND RESPONSIBILITIES

1. A principal responsibility of the Chairman of the Board (the “**Chairman**”) will be to manage and act as the chief administrative officer of the Board with such duties and responsibilities as the Board may establish from time to time. The Chairman need not be independent of management.
2. The Board will ensure that proper limits are placed on management’s authority.
3. In conjunction with each annual general meeting, the Board shall:
 - (a) appoint a Chairman;
 - (b) appoint the senior officers of the Company and approve the senior management structure of the Company; and
 - (c) appoint committees of the board, including a Corporate Governance, Nominating and Compensation Committee, and an Audit Committee. In due course and when considered appropriate, the Board may establish additional committees, however as of the date this mandate was approved it is the Board’s intention that the duties of these committees will be administered by the Board as a whole.

4. The Board will ensure that it adopts and maintains appropriate mandates, charters and position descriptions for: the Board, the Chairman, the CEO, the committee chairs, as well as for the committees themselves;
5. The Board shall be responsible for monitoring the performance of the CEO and determining the compensation of the CEO. The Board will receive reports and recommendations from the Chairman on both CEO performance and compensation in connection therewith;
6. From time to time, the Board may appoint special committees to assist the Board in connection with specific matters; and
7. The Board shall meet not less than four times during each fiscal year. The Board will also meet at any other time at the call of the Chairman or any director, subject to the constating documents of the Company.

Management Oversight

The Board will ensure the Company has management with the appropriate skillset and experience. This responsibility is carried out primarily by:

- (a) appointing the CEO as the Company's business leader and developing criteria and objectives against which the Board will assess, on an ongoing basis, the CEO's individual performance;
- (b) developing and approving corporate objectives which the CEO is responsible for meeting, and assessing the CEO against these objectives; and
- (c) developing a position description for the CEO and reviewing performance against such description.

Strategic Planning Process and Risk Management

1. The Board is responsible for adopting, supervising and providing guidance on the strategic planning process and approving a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business.
2. The CEO and senior management team will have direct responsibility for the ongoing strategic planning process and the establishment of annual corporate objectives for the Company, which are to be reviewed and approved not less than annually, by the Board.
3. The Board will have a continuing understanding of the principal risks associated with the business, largely through continuous communication with management. The Board will ensure the implementation of appropriate systems to manage any such risks.
4. The Board will provide guidance to the CEO and senior management team with respect to the Company's ongoing strategic plan. The Board is responsible for monitoring the success of management in implementing the approved strategies and goals.

Internal Controls and Management Information Systems

Through the CEO, management will establish systems to ensure that appropriate and responsible levels of internal controls are in place for the Company. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

COMMUNICATIONS

1. The Board will monitor and periodically review the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including:
 - (a) effective means to enable shareholders to communicate with senior management and the Board; and
 - (b) effective channels by which the Company may interact with analysts and the public.
2. The Board will review and if necessary, approve the content of the Company's major communications to shareholders and the investing public, including interim and annual reports, the Management Information Circular and any prospectuses that may be issued.
3. The Board will establish and maintain a disclosure policy which summarizes its policies and practices regarding disclosure of material information to investors, analysts and the media.
4. All directors will have open access to the Company's senior management.
5. The Board encourages individual directors to make themselves available for consultation with management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

SUCCESSION PLANNING

The Board will regularly consider and develop succession plans for the Chairman, CEO and senior management personnel.

BOARD INDEPENDENCE

The Board will, where deemed desirable or necessary, implement appropriate structures and procedures to ensure that the Board can function independently of management which may include the institution of regular meetings of independent directors at every quarterly Board meeting, without the presence of management.

NEW DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Nominating and Corporate Governance Committee, in conjunction with the Chairman and the CEO, is responsible for ensuring that new directors are provided with an orientation and education program.

The Board will assist the Corporate Governance, Nominating and Compensation Committee in establishing and maintaining an ongoing director education program.

GENERAL OBLIGATIONS

1. Approve all significant acquisition plans and oversee the establishment of priorities for the allocation of funds and financing to various acquisitions.
2. Approve all single expenditure items proposed by the Company.
3. Approve any policy for hedging.
4. Approve any policy for management of foreign currency risk.
5. Approve the annual budget.
6. Attend, prepare for and be actively involved in regular Board meetings and, if applicable, Board committee meetings.
7. With the assistance of the Corporate Governance, Nominating and Compensation Committee, develop the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.
8. Adopt and monitor, through the Corporate Governance, Nominating and Compensation Committee, a formal "Code of Business Conduct and Ethics" that will govern the behaviour of directors, officers and employees of the Company, and, in appropriate circumstances, grant waivers from such code of business conduct.

INDEPENDENT ADVISORS

The Board and any committees may at any time retain outside financial, legal or other advisors at the expense of the Company. Any director may, subject to the approval of the Chairman, retain an outside advisor at the expense of the Company.

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