



TARACHI GOLD
C O R P.

CHARTER OF THE BOARD OF DIRECTORS

January 2024

ARTICLE 1

INTRODUCTION

1.1 The Tarachi Gold Corp. (the “**Company**”) board of directors (the “**Board**”) has the primary responsibility to foster the short and long-term success of the Company and is accountable to the Company’s shareholders and other stakeholders.

1.2 The Board, acting honestly and in good faith, has the responsibility to oversee the business and affairs of the Company which are conducted by the Company’s officers and employees under the direction of the Chief Executive Officer. In supervising the conduct of the business, the Board sets the standards of conduct for the Company.

1.3 The Board discharges its responsibilities both directly and through its established committees and the Board may also appoint ad-hoc committee periodically to address issues of a more short-term nature. The responsibilities of established committees are set forth in their charters that can be found on the Company’s website.

1.4 This Charter is prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

ARTICLE 2

COMPOSITION AND BOARD ORGANIZATION

2.1 *Size of Board and Selection Process* – The size of the Board is originally determined by its Articles and from there forward the shareholders approve the number of directors at each annual general meeting of the shareholders (“**Annual Meeting**”). The directors of the Company are elected each year by the shareholders at the Annual Meeting. The Corporate Governance and Nominating Committee recommends to the Board the nominees for election and the Board proposes individual nominees to the shareholders for election. Between annual meetings the board may appoint directors to serve until the next annual meeting.

2.2. *Qualifications* – Each director must be qualified to serve as a director pursuant to, and meet the requirements of, the Business Corporations Act (British Columbia) (the “**Act**”), and all other regulations, rules, instruments, policies and guidelines that are applicable to the Company. Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Company. They should also possess skills and competencies in areas that are relevant to the Company’s activities.

2.3. *Independence* - A majority of directors comprising the Board should qualify as independent directors (as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*). When the Chair of the Board is not an independent director, the independent directors of the Board shall designate an independent director to be the lead director.

2.4. *Director Education and Orientation* - The Company's management team is responsible for providing an orientation program for new directors in respect of the Company and the role and responsibilities of directors. In addition, directors will, as required, receive continuing education about the Company to maintain a current understanding of the Company's business and operations, material developments and its strategic initiatives.

2.5. *Meetings* – The Board meets at a least four times a year and may also hold additional meetings as considered necessary. The Chair is responsible for approving the agenda for each Board meeting and prior to each meeting, the Chair reviews the agenda items with the CEO, CFO and Corporate Secretary before circulation to the Board. The materials, approved by the CEO, and agenda are distributed to the Board five business days in advance of the meeting. At the end of each meeting, an in-camera session is held with only independent directors in attendance.

2.6. *Committees* – The Board establishes committees to assist it in discharging its responsibilities and the committees should also include any committees that a company should establish according to the rules and regulations set forth in the Act and any other regulations that the Company must follow. Annually, the Board will appoint members to each committee and elect a chair of each committee. The Chairs of each committee reports to the Board following each meeting held by the committee. Special committees may be established from time to time to address specific matters that arise. Each committee drafts its own charter that is reviewed by the Corporate Governance and Nominating Committee and then recommended to the Board for approval and each charter should be reviewed annually by each committee, including the Corporate Governance and Nominating Committee and approved by the Board.

2.7. *Board Evaluation* – The Board is evaluated annually by the Corporate Governance & Nominating Committee for its effectiveness of the Board and its committees and a report of the findings is presented to the Board. It is up to each individual director and each committee to assess its own performance annually.

2.8. *Compensation* - The compensation for independent directors and the chairs of each committee should be reviewed annually by the Human Resources & Compensation Committee and approved by the Board.

2.9. *Access to Outside Advisors* – The board, any committee or any individual director may at any time retain outside financial, legal or other advisors at the expense of the Company with approval from the Chair of the Board.

2.10. *Charter of Expectations* – The Board has adopted a Charter of Expectations for Directors which outlines the basic duties and responsibilities of directors and the expectations the Company places on them in terms of professional and personal competencies, performance, behavior, conflicts of interest and resignation events. Among other things, the Charter of

Expectations outlines the role of directors in stakeholder engagement and the requirement of directors to attend board meetings and review meeting materials in advance.

ARTICLE 3 RESPONSIBILITIES

3.1 The legal obligations of the Board are described in the next section titled “General Legal Obligations of the Board of Directors”. Subject to these legal obligations and to the articles of the Company, the Board retains the responsibility for managing its own affairs and may delegate to Board committees matters for which the Board is responsible. However, the Board retains its oversight function and is ultimately responsible for all matters.

3.2 The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The Board meets quarterly to review reports by management on the Company’s performance and other matters of interest. In addition to the general supervision of management, the Board performs the following functions:

- (a) *Strategic Planning*- Overseeing the long-term strategic-planning process within the Company and annually reviewing, approving and monitoring it for the Company to ensure that it takes into account the longer-term opportunities and risks of the business;
- (b) *Budgets* – Reviewing and approving the budget on an annual basis and approving any interim updates to the budget if required;
- (c) *Governance* – Developing a set of corporate governance principles and guidelines that establish appropriate structures and procedures to allow the board to function independently of management and annually reviewing and approving any corporate policies.
- (d) *Risk* – Ensuring that processes are in place to identify risks in the Company and reviewing systems that are implemented by management to manage those risks as well as ensuring that the Company is in compliance with applicable regulatory, corporate and other legal requirements.
- (e) *Executive Officers, Other Senior Officers* – The Board must appoint the officers of the Company on an annual basis. The Board is responsible for reviewing and approving the position description for the CEO, in particular, including any corporate objectives the CEO is responsible for meeting and approving the compensation recommended by the Compensation Committee. The Board is also responsible for delegating appropriate powers to the executive officers and senior

management to manage the business affairs of the Company and should approve all significant public service commitments or outside directorships that the executive officers wish to pursue.

- (f) *Succession Planning* – Review and approve the succession plan for key members of senior management.
- (g) *Communications and public disclosure* – Overseeing the establishment of processes for accurate, timely and full public disclosure and establishing suitable mechanisms to receive shareholder views.
- (h) *Financial Reporting, Auditors* – Reviewing and approving the Company’s financial statements and related financial information documents to ensure the disclosure accurately and fairly reflects the state of affairs of the Company, and is in accordance with international financial reporting standards (“IFRS”), including quarterly and annual financial statements, information circulars, annual information forms, annual reports, offering memorandums and prospectuses. The Board is also responsible for appointing the external auditors, subject to shareholder approval and establishing the compensation.
- (i) *Financings and Debt* – Reviewing and approving any financings, prospectuses any transactions that involve securities, review and approve release by management of any materials reporting on the Company’s financial performance or providing guidance on future results. The Board is also responsible for approving the repurchase of shares, issuance of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses; and recommend changes in authorized share capital to shareholders for their approval. The Board is also responsible for approving the incurring of any material debt by the Company outside the ordinary course of business.
- (j) *Internal Controls* – Reviewing and monitoring controls and procedures within the Company to maintain its integrity, including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance.
- (k) *Public Reporting* – Reviewing and approving the annual financial statements, management proxy circular and other public documents that require board approval.
- (l) *Transactions and Other Legal Matters* – Approve material mergers, acquisitions, joint ventures and divestitures and any projects that are likely to be material to the Company. Also approve the commencement or settlement of litigation that may have a material impact on the Company.

- (m) *Whistleblowers* - Establish whistleblower policies for the Company providing employees, officers, directors and other stakeholders, including the public, with the opportunity to raise, anonymously or not, questions, complaints or concerns regarding the Company's practices, including fraud, policy violations, any illegal or unethical conduct, and any accounting, auditing or internal control matters. The Board or a committee thereof will provide oversight over the Company's whistleblower policies and practices to ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.
- (n) *Culture* – Establishing values and satisfy itself that the CEO and other executive officers create a culture of integrity throughout the Company, including compliance with the Company's Code of Business Conduct and Ethics and its anti-bribery and corruption policies and procedures.

ARTICLE 4

GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

4.1 The Board is responsible for:

- (a) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and
- (b) recommending changes in the articles, matters requiring shareholder approval, and setting agendas for shareholder meetings.

4.2 The *Business Corporation Act* (British Columbia) identifies the following as legal requirements for the Board:

- (a) act honestly and in good faith with a view to the best interests of the Company, including the duty:
 - (i) to disclose conflicts of interest;
 - (ii) not to appropriate or divert corporate opportunities;
 - (iii) to maintain confidential information of the Company and not use such information for personal benefit; and
 - (iv) to disclose information vital to the business of the Company in the possession of a director;

- (b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
- (c) act in accordance with the *Business Corporations Act* (British Columbia) and the articles of the Company.

ARTICLE 5
EFFECTIVE DATE

- 5.1 This Charter was adopted by the Board on September 1, 2020.
- 5.2 This Charter was amended and approved by the Board on January 5, 2024.