

## BOARD CHARTER

### 1. Introduction

The purpose of this Board Charter (**Charter**) is to set out the role, responsibilities, structure and processes for the Board of Directors (**Board**) of Novo Resources Corp. (**Novo** or the **Company**).

### 2. Overview of role of Board

Subject to the limitations set forth in the TSX Company Manual and the Listing Rules of the Australian Securities Exchange (**ASX**) (together, **Listing Rules**), the British Columbia Business Corporations Act, and the Company's articles (**Articles**) (together, the **Governing Framework**), all corporate power and authority of the Company shall be exercised by or under the authority of the Board (including authorised committees thereof), and the business and affairs of the Company shall be managed under the direction of the Board, which has exclusive authority as to substantive decisions concerning management of the Company's business. The Board is responsible for the overall strategy, performance and governance of the Company and, in particular, promoting the long-term growth and compliance of the Company, the strategies, values, policies and objectives of the Company, including the responsibilities set out below. The Board is also responsible for overseeing management in the implementation of the Company's policies, strategies and financial objectives and the instilling of the Company's values.

In addition to fulfilling its obligations to generate value for the Company's shareholders, the Board recognises that it has responsibilities to its other stakeholders including employees, contractors and suppliers and to the welfare of the communities in which the Company operates.

In performing the responsibilities set out in this Charter, the Board should act at all times in a manner that demonstrates leadership and that is designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them in accordance with the Governing Framework and any other applicable law.

### 3. Functions of the Board

#### 3.1 Key functions

The Board is ultimately responsible for the overall direction of the Company and its subsidiaries and the oversight and review of the management, administration and overall governance of the Company. The Board's functions include, but are not limited to:

- (a) acting in the best interests of its shareholders;
  - (b) defining the Company's purpose and setting its strategies, budgets and business plans;
  - (c) demonstrating leadership;
  - (d) creating a statement of values which underpins the Company's culture;
  - (e) focussing on the Company's reputation and standing in the communities in which it operates;
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- (f) establishing an appropriate risk management framework for the Company (both financial and non-financial) and setting the risk appetite within which the Board expects management to operate;
- (g) ensuring that the Company's remuneration policies are aligned with strategic objectives;
- (h) setting measurable objectives for achieving gender diversity in the composition of the Company's Board, senior executives and workforce generally;
- (i) approving the Company's financial statements and annual reports;
- (j) approving major borrowing and debt arrangements, treasury management, foreign exchange and commodity hedging strategies, the acquisition, establishment, disposal or cessation of any significant business of the Company, any significant transaction or capital expenditure and the issue of any shares, options, warrants, equity instruments or other securities of the Company;
- (k) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (l) satisfying itself that an appropriate framework exists for relevant information to be reported to the Board by management;
- (m) approving the Company's governance policies;
- (n) overseeing the strategic direction of the Company;
- (o) establishing goals for management and monitoring the achievement of these goals; and
- (p) engaging, reviewing and replacing the Chief Executive Officer.

The Board does not participate in the day-to-day affairs or management of the Company but will rely on the senior executive team to provide the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities.

The responsibilities listed above are matters which the Board specifically reserves for itself and does not limit the Board's overall duties and responsibilities. The Board may delegate certain tasks to a committee of the Board specifically constituted for the relevant purpose.

### **3.2 Duties of the Board**

In carrying out its responsibilities, the Board will at all times recognise its responsibility:

- (a) to act honestly, fairly and diligently in the best interests of all shareholders;
- (b) to act in accordance with relevant laws and regulations;
- (c) to act in accordance with all relevant Company policies; and
- (d) to avoid or manage conflicts of interests.

### **4. Role and responsibilities of the Board**

The Board's responsibilities include the following, and will include consideration of recommendations made by relevant committees:

#### **4.1 Strategy and planning**

- (a) Reviewing and approving corporate strategies, objectives, budgets, plans and policies developed by management and evaluating the performance of the Company against those strategies and business plans with a goal to:
  - (i) *maximise value for shareholders;*
  - (ii) *monitor the performance of functions delegated to management, including the progress of major capital expenditure, capital management, acquisitions, divestitures and strategic commitments;*
  - (iii) *instil and regularly reinforce a culture across the Company in line with its values; and*
  - (iv) *assess the suitability of the Company's overall strategies, business plans and resource allocation.*
- (b) Monitoring financial and business results to understand the financial position of the Company.
- (c) Monitoring and assessing the Company's capital structure to determine whether it remains appropriate.

### **5. Composition of the Board and term of office**

#### **5.1 Composition**

The composition, structure and proceedings of the Board are primarily governed by the Company's Articles and laws governing corporations in the jurisdictions in which it operates. The Board, with the assistance of the Compensation and Nomination Committee, is responsible for:

- (a) determining the size and composition of the Board;
- (b) considering the necessary and desirable competencies of Board members;
- (c) reviewing membership of the Board and considering the appointment and re-election of Board members; and
- (d) appointing the Chair of the Board.

The Board will be composed of:

- (a) a majority of independent non-executive directors;
- (e) directors with an appropriate range of skills, knowledge, experience, independence and diversity relevant to the Company's business and the Board's role and responsibilities;
- (f) directors who can understand and competently deal with current and emerging business issues; and
- (g) directors who can effectively review and challenge the performance of management and exercise independent judgement.

As a relatively small company (amongst those listed on the TSX and the ASX), the Company may face particular issues in ensuring that aspects of the ideal composition for the Board (as set out above and in clause 6.1 below) are met. For instance, while the Company will aim for the Board to have a majority of independent directors and an independent Chair, this may not always be possible.

## 5.2 Independence

- (a) If a director is or becomes aware of any information, facts or circumstances that will or may affect that director's independence as defined in National Instrument 52-110 *Audit Committees* and ASX Corporate Governance Principles & Recommendations (together, the **Guidelines**), including the acceptance of any new role that could impact the director's time and commitment to the Company, the director must immediately disclose all relevant details in writing to the Corporate Secretary and the Chair of the Board.
- (b) The Board will regularly assess the independence of each non-executive director. The assessment will ideally be made at least annually at or around the time that the Board considers candidates for election to the Board. In the case of changes in a non-executive director's interests, positions, associations or relationships, the review should be made as soon as practicable after the Board becomes aware of the change. If the Board determines that a director's status as an independent director has changed, the determination will be disclosed to ASX, as required by the Listing Rules.
- (c) In considering from time to time whether a director is independent and the criteria against which the Board determines the materiality of a relationship, the Board is to have regard to:
- (i) *the guidance relevant to assessing the independence of a director contained in the Guidelines;*
  - (ii) *developments in relevant corporate governance standards;*
  - (iii) *the tenure of a director with the Company, and their relationship with management; and*
  - (iv) *any independent professional advice sought by the Board at its discretion.*
- (d) The Board considers an interest, position, association or relationship to have an effect of a kind described in paragraph (c), where it is of substance and consequence and there is a real and sensible possibility that it would give rise to a conflict of interest and affect the director's judgement across many or all aspects of the director's role.

## 5.3 Commitment

Non-executive directors are expected to devote the necessary time to discharge their duties. It is a requirement of the Board that prior to their appointment, non-executive directors must provide the Chair with details of their other ongoing commitments and an indication of time involved in fulfilling those commitments and to acknowledge that they will have adequate time to meet what is expected of them as a director of the Company. Further, they should consult with the Chair of the Board, or the Board, and should inform the Compensation and Nomination Committee, before accepting any appointment as a director of another company, whether listed or unlisted.

## 5.4 Term

All directors are required to submit themselves for re-election in accordance with the relevant terms of the Governing Framework.

To ensure the Board has the benefit of regular new input and to avoid the potential for loss of objectivity over time, non-executive directors should consider retiring after holding office for 10 years.

However, this policy does not encourage the retirement of a director (or the Chair of the Board) after a 10-year term if their ongoing candidacy is recommended by the Compensation and Nomination Committee.

## **5.5 Reporting**

- (a) Monitoring communications to stakeholders and the TSX and the ASX (including disclosures made under the TSX, ASX, and Canadian and Australian continuous disclosure requirements).
- (b) Approving the annual report and financial statements and other reports to stakeholders or the ASX.
- (c) Monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit and the Company's processes for verifying the integrity of any periodic corporate report the Company releases to the market.
- (d) Calling meetings of shareholders.

## **5.6 Risk management and internal controls (Assurance)**

- (a) Approving the Company's risk management framework and internal compliance and controls systems relevant to both financial and non-financial risk.
- (b) Implementing a process for regularly reviewing the performance of the Board, the committees established by the Board and individual directors.
- (c) Overseeing management's implementation of systems to monitor and address the financial, operational and business risk management policies.
- (d) Establishing an appropriate risk management framework and setting the risk appetite.
- (e) Overseeing the implementation of appropriate procedures to ensure compliance with all applicable laws.
- (f) Monitoring compliance with regulatory requirements.
- (g) Considering the adequacy of insurance coverage.

## **5.7 Corporate governance**

- (a) Regularly reviewing and approving the Company's corporate governance policies and procedures.
- (b) Evaluating compliance with the Company's corporate governance policies and procedures.

## **5.8 Personnel**

- (a) Appointing and, where appropriate, removing the Chief Executive Officer.
- (b) Approving the appointment or removal of other senior executives and the Corporate Secretary.
- (c) Regularly evaluating the performance of the Chief Executive Officer and monitoring the Chief Executive Officer's evaluation of senior executives.
- (d) Ensuring appropriate resources are available to management, to enable management to carry out its duties.
- (e) Considering material changes in personnel policies and strategies.

## **5.9 Remuneration**

- (a) Reviewing and approving the remuneration framework for directors and senior executives of the Company.
- (b) Reviewing and approving short-term and long-term incentive plans (including equity-based incentive plans).
- (c) Ensuring that the remuneration policies of the Company are balanced and do not reward behaviour that is inconsistent with its values.
- (d) Approving, or resolving not to approve, the award of any incentives under the Company's employee share plan (long term incentive) or any award due as a cash payment (short term incentive) payable under a bonus scheme or in connection with an employment agreement. The Board has full discretion in this regard.

## **6. Delegation of authority**

### **6.1 Delegation to management**

The Board has ultimate responsibility for the strategic direction and control of the Company. The Board delegates management of the Company's resources to the executive team under the leadership of the Chief Executive Officer, to deliver the strategic direction and goals determined by the Board. A key function of the Board, which is conducted at Board meetings, is to oversee and monitor the performance of executives in this function.

The Board will delegate to the Chief Executive Officer the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of their authority and power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units.

The Chief Executive Officer's roles and responsibilities are set out in clause 8 of this Charter.

### **6.2 Delegation to committees**

The Board, from time to time, establishes committees to streamline the discharge of its responsibilities and, for each standing committee, adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of such committees. The Board has, at the date of this Charter, established the:

- (a) Audit, Risk, and Corporate Governance Committee;
- (b) Compensation and Nomination Committee; and
- (c) Sustainability Committee.

The Board may also delegate specific functions to ad hoc committees on an "as needs" basis. The powers delegated to these committees will be set out in Board resolutions. The split of powers between the Board, committees and senior management will be determined by the Board. Regular review of the division of responsibilities to ensure they remain appropriate to the needs of the Company should be undertaken.

## **7. Appointment and responsibilities of Chair and Lead Independent Director**

### **7.1 Chair**

The Board will appoint a Chair in accordance with the Company's Articles.

The Chair will ideally be an independent non-executive director. Where the Chair is not an independent non-executive director, the Board will appoint a Lead Independent Director pursuant to clause 7.2.

The responsibilities of the Chair are to:

- (a) lead the Board;
- (b) maintain effective communication between the Board and management;
- (c) ensure the efficient organisation and conduct of the Board's function;
- (d) chair Board meetings to seek to ensure that key issues facing the Company are being addressed;
- (e) brief all directors in relation to issues arising at Board meetings;
- (f) represent the views of the Board to the public;
- (g) chair shareholder meetings of the Company; and
- (h) exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

### **7.2 Lead Independent Director**

The Board may appoint a Lead Independent Director, generally when the Chair of the Board is not considered to be "independent" or if required under Governing Framework. If it does, the Lead Independent Director must be a non-executive director who the Board considers to be independent having regard to the matters set out in clause 5.2(c) of this Charter.

The Lead Independent Director will:

- (a) with the Chair, establish the agenda for regular Board meetings;
- (b) serve as chair of Board meetings in the absence of the Chair or where the Chair abstains from attendance due to a conflict of interest;
- (c) establish the agenda for meetings of the independent directors;
- (d) preside over meetings of the independent directors;
- (e) preside over any portions of meetings of the Board at which the performance of the Board is presented or discussed; and
- (f) perform such other duties as may be established or delegated by the Chair or the Board of Directors.

If there is no Lead Independent Director, the responsibilities above (so far as they are relevant) will be undertaken by the Chair or as otherwise determined by the Board.

## **8. The role of management**

The day-to-day management of the Company and its businesses is the responsibility of the Chief Executive Officer, supported by the executive team.

The Board delegates to the Chief Executive Officer the necessary powers to manage the day-to-day business of the Company, subject to those powers reserved to the Board in clause 6.

The key responsibilities of the Chief Executive Officer are to:

- (a) manage and administer the day-to-day operations of the Company in accordance with the strategy, business plans and policies approved by the Board;
- (b) develop strategies for the Company, its businesses and management, and make recommendations to the Board on such strategies;
- (c) develop the Company's annual budget and conduct the Company's activities within the approved annual budget;
- (d) develop and maintain the Company's risk management systems, including internal compliance and control mechanisms;
- (e) assign responsibilities clearly to the executive team, and supervise and report on their performance to the Board;
- (f) recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond any delegated thresholds;
- (g) report regularly to the Board with timely and quality information, such that the Board is fully informed to discharge its responsibilities effectively; and
- (h) exercise such additional powers as are delegated to the Chief Executive Officer by the Board from time to time.

## **9. Role of Corporate Secretary and TSX/ASX representative**

The Company will have a representative as required by the TSX and under ASX Listing Rule 12.6 (**Representative**), and a Corporate Secretary (which may be the same person).

The responsibilities of the Corporate Secretary include:

- (a) organising Board and Board committee meetings, including preparing agendas and papers;
- (b) preparing minutes of Board and Board committee meetings;
- (c) monitoring completion of action items arising from Board and Board committee meetings;
- (d) providing governance, administrative, technical and other support to the directors;
- (e) retaining professional advisers at the request of the Board or a Board committee; and
- (f) helping to organise and facilitate the induction and professional development of directors.

The Representative will:

- (a) keep Canadian and Australian statutory records up to date;
- (b) attend to the statutory requirements relating to the Company's registered office, annual returns and lodgement of other documents on SEDAR and with ASIC and the ASX; and
- (c) monitor compliance with Board and Board committee policy and procedures (in conjunction, where necessary, with the Corporate Secretary or Chief Financial Officer).

The Corporate Secretary will attend all Board and Board committee meetings. The Corporate Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.



In addition to the Chief Executive Officer, all directors will have direct access to the Representative and the Corporate Secretary, and vice versa.

## **10. Governance**

### **10.1 Code of Conduct**

All directors are expected to comply with and promote the Code of Conduct adopted by the Board. Any breach of the Code of Conduct by a director must be reported to the Chair or the Corporate Secretary.

### **10.2 Conflicts of interest**

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest with the Company.

Each director has a duty not to place themselves in a position that gives rise to a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director is required:

- (a) to ensure that the Board is notified (whether by formal standing notice or declaration immediately on becoming aware) of any interest that may give rise to a real or substantial possibility of conflict, including any material personal interests; and
- (b) if any matter that is, or is likely to be, brought before the Board could give rise, or be perceived to give rise, to a real or substantial possibility of conflict, then the director:
  - (i) *must disclose this to the Board;*
  - (ii) *will not receive Board papers or other information that relates to the matter that is the subject of the conflict of interest, unless the Chair determines, that they may receive any or all of those documents; and*
  - (iii) *must withdraw from any part of a Board or committee meeting for the duration of any discussion in relation to the matter and not vote on the matter, unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director. Any potential conflict must be recorded in the Board meeting minutes.*

### **10.3 Confidentiality**

Each director has a duty to maintain the confidentiality of information they learn by virtue of their position as director. All proceedings of the Board, including Board papers, presentations and other information provided to the Board, must be kept confidential except as required by law, the Listing Rules, or as agreed by the Board

### **10.4 Trading in the Company's securities**

Each director must comply with the Company's Securities Trading Policy.

## **11. Administrative matters**

The Board will determine a schedule of meetings at the beginning of each year. Additional meetings will be held as required to address specific issues.

Senior executives will be invited to attend Board or committee meetings (or parts of meetings) from time to time where the Board or committee considers their involvement will assist the consideration of items of business before the meeting.

All minutes of the Board or a committee are required to be signed by the Chair of the meeting and Corporate Secretary as a true and correct record.

## **12. Independent advice**

The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.

Individual directors who wish to obtain independent professional advice should seek the approval of the Chair (not to be unreasonably withheld), and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the case of a request made by the Chair, approval is required by the Lead Independent Director and/or Corporate Secretary (acting together), and otherwise the Board excluding the Chair.

## **13. Review of this Charter**

The Board will review this Charter annually and this Charter may be amended by resolution of the Board.

This Charter has been approved by the on 1 June, 2023.