

Palladium **One** Mining Inc.

Environmental, Social & Governance Committee Charter

Owner: Chief Executive Officer

Approval Date: March 14, 2022

Version: 1.0

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE CHARTER

1. MEMBERSHIP

The Environmental, Social, Governance (“ESG”) Committee (the “Committee”) of the Board of Directors (the “Board”) of Palladium One (the “Company”) shall be appointed annually by the Board of the Company. It will be comprised by 3 directors of the Company. The Chair of the Committee will be designated by the Board.

All members of the Committee, shall be directors whom the Board has determined are independent, taking into account the applicable rules and regulations of securities regulatory authorities applicable to the Company. The Chair of the Committee must have experience in ESG matters of mining operations.

If an appointment of members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed.

2. MANDATE

The Committee’s mandate is to provide advice and recommendations to the Board relating to Environmental, Social and Governance matters (“ESG Matters”). Specifically, the purpose of the Committee is to assist the Board in: (i) establishing the Company’s corporate governance guidelines, standards, policies and procedures; (ii) vetting individuals for qualifications to become members of the Board; (iii) reviewing the composition of the Board and its committees; and (iv) overseeing the Company’s environmental, safety and health, corporate social responsibility, Code of Conduct and Ethics and Human Rights, Anti-corruption and Anti-bribery related policies, procedures and performance and, (v) assessing the management of related ESG risks.

3. AUTHORITY

In discharging its mandate, the Committee shall have the authority to:

- (a) retain, terminate, authorize the payment by the Company and receive advice from special legal or other advisors (ESG Advisors) as the Committee determines to be necessary to permit and to carry out its duties and,
- (b) access all information of the Company, including unrestricted access to management, external auditors and consultants, who shall be directed to cooperate as requested by members of the Committee.

Nothing in the paragraph above requires the Committee to implement or act consistently with the advice or recommendations of the ESG Advisors it engages or affects the ability or obligation of the Committee to exercise its own judgment in fulfilling the duties of the Committee.

4. RESPONSIBILITIES

The responsibilities of the Committee include:

- (a) recommending to the Board the adoption of ESG-related guidance principles, standards or initiatives, such as the International Finance Corporation's Corporate Performance Indicators, European Standards on Sustainability and or Industry Guiding Principles and, updating the Company's ESG's guiding principles, standards or initiatives, as needed;
- (b) establishing, reviewing and assessing (at least annually) the implementation and effectiveness of the Company's governance policies, standards and procedures, and recommending any proposed changes thereto to the Board for approval;
- (c) reviewing and assessing (at least annually) the implementation and effectiveness of the Company's policies, standards and procedures relating to environment, safety and health, corporate social responsibility, Code of Conduct and Ethics, Human Rights, Anti-corruption, Anti-bribery, Insider Trading Policy, Diversity and Inclusion Policy and, recommending any proposed changes thereto to the Board for approval;
- (d) reviewing (at least annually) the evaluation of ESG performance and practices implemented by management as per section 8 of this Charter and make recommendations to the Board, as appropriate.
- (e) liaising and reviewing with the Audit Committee of the Board on matters relevant to the Company's identification and management of enterprise risks;
- (f) reviewing the disclosure of ESG Matters of the Company, in compliance with the requirements of the Canadian Securities Administrators, and other applicable regulatory authorities;
- (g) reviewing candidates for election as directors and annually recommending nominees to the Board for approval by the Board and election by the shareholders.
 - In making its recommendations to the Board, the Committee shall consider the current composition of the Board and any regulatory requirements, pronouncements or Company policies applicable to the composition of the Board and shall assess the ability of candidates to contribute to effective oversight of the management of the Company, taking into account the needs of the Company and the individual's background, experience, perspective, skills and knowledge that are appropriate and beneficial to the Company. The Committee shall consider diversity criteria, including the level of representation of women on the Board, when making its recommendations to the Board;
- (h) making recommendations to the Board as to the composition of the committees of the Board (including this Committee);
- (i) reviewing, assessing and making recommendations to the Board regarding the independence of the directors;
- (j) overseeing the evaluation of the functioning of the Board, its committees (including this Committee) and individual directors on an annual basis, in coordination with the Chair of the Board;
- (k) making recommendations to the Board from time to time as to changes in the size of the Board;

- (l) reviewing that the service of Directors of the Company in other public companies, or any actual or potential competitor, business partner or significant investors is consistent with the Company's conflict of interest standards, as set out in the Company's Code of Conduct and Ethics;
- (m) reviewing all proposed related party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an "independent special committee" pursuant to securities law. Any member of the Committee who is a party to or has a potential conflict of interest in a proposed transaction, or who has a material interest in any related party transaction or in a party to a related party transaction, must abstain from any vote on that transaction;
- (n) overseeing and or conducting the investigations of ESG allegations or concerns, as set out in the Company's Code of Conduct and Ethics and the Whistleblower Procedure;
- (o) making recommendations to the Board in relation to directors' orientation and continuing education;
- (p) performing such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate;
- (q) reviewing and reassessing the adequacy of this Charter on a regular basis and submit any proposed revisions to the Board for consideration and approval; and
- (r) supervising that this Charter is posted on the Company's web site and include a reference thereto in the Company's annual report.

The purposes and provisions specified in this Charter are meant to serve as guidelines. Nothing herein is intended to expand applicable standards of liability under the law for directors of a corporation. For the avoidance of doubt, any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board in lieu of Committee's action.

5. REPORTING

The Committee will promptly inform the Board of any significant developments in the course of performing its responsibilities under this Charter. The Committee will report on its activities to the Board on an annual basis or more frequently as the Committee deems appropriate.

6. RESPONSIBILITY OF THE CHAIR OF THE COMMITTEE

The Chair of the Committee is responsible for the management of the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Committee Chair's responsibilities include:

- (a) working with the Corporate Secretary of the Company (with input from management and other members of the Committee), to establish the frequency of the Committee meetings and the agendas for the meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;

- (d) liaising with the Chairs of the Audit and Compensation Committees of the Board, as appropriate; and
- (e) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

7. MEETINGS

- (a) The Committee shall have a minimum of one (1) meeting per year, to coincide with the Company's financial reporting obligations.
 - o Additional meetings will be scheduled as considered necessary or appropriate by the Chair of the Committee. The Committee may also act by unanimous written consent in lieu of a meeting.
- (b) The Committee shall meet in person or by conference call or other electronic means including email exchanges among all members of the Committee.
- (c) The Chair of the Committee, with the support of the Company Corporate Secretary, shall be responsible for calling the meetings of the Committee and establishing meeting agenda.
- (d) The minutes of all meetings shall be recorded by the Corporate Secretary of the Company or such other person as appointed by the Chair of the Committee.
- (e) A majority of the Committee members will constitute a quorum for conducting business at a meeting of the Committee.
- (f) The Committee may request any officer or other employee of the Company or any representative of the Company's legal counsel or other advisors, to attend a meeting

8. MANAGEMENT OF ESG MATTERS

While the Committee has the duties and responsibilities set forth in this document, independent board members and/or Directors of the Committee are not employees of the Company and are entitled to rely on the integrity of the Company's management.

With the Committee's oversight, management is responsible for: (i) the establishment of an ESG framework and Key Performance Indicators as it relates to the Company's exploration and development goals, (ii) the management of health, safety, loss prevention, operational security, sustainable development, environmental, community relations, human rights, anti-corruption and anti-bribery, government relations and communications issues relating to the Company and, (iii) the Company compliance with ESG laws, regulations, or other obligations, including compliance with the Company's Code of Conduct and Ethics and its ESG policies, procedures and initiatives.

The management of the Company, with the oversight and assistance of the Committee, will:

- (a) provide leadership, allocate resources and, implement robust ESG business practices appropriately necessary to conduct exploration programs and business in compliance with all related laws, regulations, Company's Code of Conduct and Ethics, standards, policies and procedures, and

requiring the same of its contractors or business associates;

- (b) be familiar with applicable ESG statutory requirements and trends and evaluate the Company's compliance with such requirements and trends;
- (c) conduct the investigations of allegations or concerns and implement corrective and or disciplinary actions, as applicable, as set out in the Company's Code of Conduct and Ethics;
- (d) assess and manage ESG risks of the Company;
- (e) evaluate (at least annually) ESG performance and practices within the Company, including performance by Company contractors and business associates, with the intent to continually improve performance;
- (f) promote programs and or initiatives which foster mutual beneficial relations and respect with the communities and stakeholders in which the Company conducts exploration and business; and
- (g) communicate effectively with stakeholders within the communities the Company operates in and integrate economic, environmental, and social considerations into all decision making.

9. PUBLIC DISCLOSURE OF CHARTER

This Charter will be included in the Corporate Governance section on the Company's website.

This Charter was approved by the Board on ***