

**HEADWATER EXPLORATION INC.**  
**ENVIRONMENT, SAFETY AND SUSTAINABILITY COMMITTEE MANDATE**

1. **Establishment of Environment, Safety and Sustainability Committee:** The Board of Directors (the "**Board**") of Headwater Exploration Inc. (the "**Corporation**") hereby establishes a committee to be called the Environment, Safety and Sustainability Committee (the "**Committee**").
2. **Membership:** The Committee shall be composed of two (2) members or such greater number as the Board may from time to time determine, a majority of whom shall be "independent" (as such term is used in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*). Members of the Committee shall have the skills and experience that enable such members to make decisions relating to environmental, health and safety and sustainability matters and/or such other competencies and skills as determined necessary and desirable by the Board. The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.
3. **Role and Objective:** The Committee shall, in addition to any other duties and responsibilities specifically delegated to it by the Board, generally assume responsibility for overseeing and monitoring the Corporation's programs, policies, procedures and performance on matters relating to environment, health and safety and sustainability and, from time to time, shall review and make recommendations to the Board as to such matters.
4. **Duties and Responsibilities of Committee:** The Committee will have the authority and responsibility for:

*Environmental, Health and Safety Matters*

- (a) review the Corporation's fundamental policies and procedures pertaining to environment, health and safety and ascertain that policies and procedures, including emergency response plans, are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value;
- (b) review reports of management on:
  - (i) quarterly safety performance;
  - (ii) quarterly information technology business risks;
  - (iii) mitigating actions taken by management relative to reported incidents;
  - (iv) persistent trends and high-risk observations resulting from periodic management system assurance activities through inquiries of senior management others about the persistent trends or high risk observations and assess steps senior management has taken to minimize such risks to the Corporation; and
- (c) oversee remedial or mitigating action taken to manage an identified environment, health or safety risk;
- (d) review the Corporation's performance with applicable laws and regulations with respect to environment, health and safety;

- (e) review the findings of any significant report by regulatory agencies, external environment, health and safety consultants or auditors concerning the Corporation's performance in environment, health and safety matters;
- (f) review any necessary corrective measures taken to address issues and risks identified by the Corporation, external auditors or by regulatory agencies;
- (g) review any emerging trends, issues and regulations related to environment, health and safety that are relevant to the Corporation;
- (h) provides reports and make recommendations to the Board as determined necessary on environment, health and safety that are relevant to the Corporation; and

### ***Sustainability***

- (a) oversee the Corporation's policies, procedures, practices and strategies relating to environmental, social and climate related issues and other sustainability matters to ensure due consideration of risks, opportunities and potential performance improvement relating thereto;
- (b) ensure the corporation's sustainability policy and strategic plan, commitments and procedures are consistent and integrated with the Audit Committee, Reserves Committee, Corporate Governance and Compensation Committee and/or the Board;
- (c) review and report to the Board with respect to the consideration and integration of environmental, social and climate related and sustainability issues in the development of the Corporation's business strategy and financial planning;
- (d) receive periodic reports from management regarding the Corporation's initiatives and opportunities to optimize its environmental, social and climate related and sustainability performance including processes to reduce or substitute energy and water use, reduce emissions and waste and minimize land disturbance;
- (e) consider and review the setting of, and performance against, appropriate targets, benchmarking, procedures and reporting methods used by the Corporation to measure its environmental, social, climate and other relevant sustainability performance;
- (f) consider and review
  - (i) third party reports on the Corporation's sustainability performance and peer sustainability performance;
  - (ii) material regulatory or legislative change relating to environmental, social and climate related issues or other sustainability matters which could require modification of the Corporation's business practices;
  - (iii) ongoing or threatened litigation relating to environmental, social and climate related issues or other sustainability matters; and
  - (iv) insurable risks on environmental, social and climate related issues or other sustainability matters with evaluation of costs relative to benefit, taking into

account, as determined necessary, Audit Committee consultation and recommendations on insurance matters;

- (g) review the Corporation's enterprise risk management program relating to identifying, assessing and managing climate related risks, whether physical or transitional, in view of plausible future scenarios, and other risks related to environment, social and sustainability, and report to the Audit Committee and/or the Board;
- (h) review the Corporation's disclosure, reporting and external communication practices pertaining to environmental, social, climate and sustainability issues, including but not limited to assessments of materiality, development and publication of environmental, social and governance reports and/or sustainability reports and approach to analogous disclosure, media and social media campaigns and other written communication with stakeholders;
- (i) reviewing the Corporation's sustainability plan with key stakeholders;
- (j) review engagement with key stakeholders, Indigenous relations, and local community support and investment;
- (k) review shareholder proposals relating to environmental, social, climate or other sustainability issues and provide a report to the Board;

***General***

- (a) do such other things within the scope of its responsibilities as it may, in its discretion, deem appropriate.

**5. Administrative Matters:** The following general provisions shall have application to the Committee:

- (a) At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
- (b) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
- (c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
- (d) Meetings of the Committee should be scheduled to take place as frequently as necessary in order for the Committee to satisfy its duties and responsibilities as set out herein.
- (e) Agendas will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

- (f) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
- (g) Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee as requested.
- (h) The Committee has authority to communicate directly with any officers, employees and consultants of the Corporation. The Committee will also have the authority to investigate any environmental, health and safety matters relating to the Corporation. All officers and employees of the Corporation are to cooperate as requested by the Committee.
- (i) The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at such compensation as established by the Committee and at the expense of the Corporation without any further approval of the Board.
- (j) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee each member will hold such office until the Committee is reconstituted.
- (k) Any issues arising from these meetings of the Committee that bear on the relationship between the Board and Management should be communicated to the Chair of the Board or the Lead Independent Director by the Committee Chair.

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of the Committee. The Committee may adopt additional policies and procedures as it deems necessary from time to time to fulfill its responsibilities.