



**SOUTHGOBI RESOURCES LTD.  
HEALTH, ENVIRONMENT, SAFETY AND SOCIAL RESPONSIBILITY COMMITTEE  
CHARTER**

**I. Purpose**

The Health, Environment, Safety and Social Responsibility Committee (the “Committee”) assists the Board of Directors (the “Board”) of SouthGobi Resources Ltd. (the “Company”) in fulfilling its oversight responsibilities by monitoring and reviewing performance, and recommending for approval policies and management systems, with respect to health, environmental, safety and social responsibility related matters affecting the Company.

**II. Organization**

The Committee shall consist of not less than three members. Members of Executive Management are eligible to be members of the Committee.

The members of the Committee and the Chair of the Committee shall be appointed (and may be replaced) by the Board upon the recommendation of the Nominating & Corporate Governance Committee. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Nominating & Corporate Governance Committee.

The Committee may form and delegate authority to individual members or subcommittees when appropriate.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

### **III. Meetings**

The Committee shall meet as many times as the Committee deems necessary to carry out its duties effectively, but not less frequently than two times per year. Meetings may be held in person, by telephone, by video-conference or by any combination of any of the foregoing, to the extent permitted by the Company's constituting documents and applicable corporate law.

A majority of the members of the Committee, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum. Matters decided by the Committee shall be decided by a majority vote. The Chair of the Committee shall have an ordinary vote and not a casting vote.

The Chair of the Committee shall be selected by the Board based upon the recommendation of the Nominating and Corporate Governance Committee. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a temporary Chair from those in attendance at the meeting. The Chair of the Committee, in consultation with the other members of the Committee, and subject to the two meeting minimum noted above, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee in advance of the meeting.

The Committee will appoint a Secretary who will keep full minutes of all meetings. The Secretary may be the Company's Corporate Secretary or another person who does not need to be a member of the Committee. Draft and final versions of the meeting minutes shall be sent to all members of the Committee within a reasonable time following such meetings, which, in the case of draft meeting minutes, shall be circulated no later than 21 days following the date of the applicable meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

### **IV. Authority and Responsibilities**

1. The Committee is responsible for reviewing and recommending, as appropriate, changes to the health, environmental, safety and social responsibility policies of the Company.
2. The Committee will, at least annually, monitor the status of compliance with the Company policies and applicable laws and regulations in the areas of health, environment, safety and social responsibility based on written reports from management.
3. The Committee will review, at least semi-annually, the performance of the Company in the areas of health, environment, safety and social responsibility.
4. In the event of the occurrence of a material health, environmental or safety incident where the occurrence is required to be reported to the appropriate authorities, the Committee will receive and review as soon as practicable a report from management detailing the nature of the incident and describing the remedial action being taken. In all cases, the Committee will be responsible for

providing guidance to the Board and management on how to prevent any recurrences of such incidents in the future.

5. The Committee will ensure risk assessments are conducted and a risk register is maintained concerning the health, environmental and safety risks impacting the Company.
6. The Committee will, at least annually, review a report from management outlining the status of the risk register and controls.
7. The Committee shall assess its performance annually, seeking input from the Board.
8. The Committee will confirm to the Board annually that all responsibilities outlined in this Charter have been carried out.
9. The Committee will review and reassess the adequacy of, and the duties and responsibilities set out in, this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.

## **V. Reporting**

The Committee shall report regularly to the Board, and shall submit the minutes of all meetings of the Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require.

## **VI. Resources and Access to Information**

The Committee shall have the authority to retain, at the expense of the Company, independent legal, engineering and other consultants to advise the Committee. The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall have direct access to anyone in the organization and may request any officer or employee of the Company and its subsidiaries or the Company's outside counsel or its auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee, with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have unrestricted access to any and all books and records of the Company and its subsidiaries necessary for the performance of the Committee's obligations.

## **Amendments**

At least annually, this charter will be fully evaluated by the Nominating and Corporate Governance Committee and any appropriate updates will be recommended to the Board for consideration. The Nominating and Corporate Governance Committee shall have the authority to make minor technical amendments to this charter from time to time as required.

Approved: November 7, 2012  
Amended: March 18, 2014  
Amended: November 4, 2014  
Reviewed: November 23, 2015  
Amended: November 8, 2017  
Reviewed: November 6, 2019  
Amended: November 23, 2020