



***Environmental, Social and Governance  
Policies, Reports and Practices***

November 6, 2020

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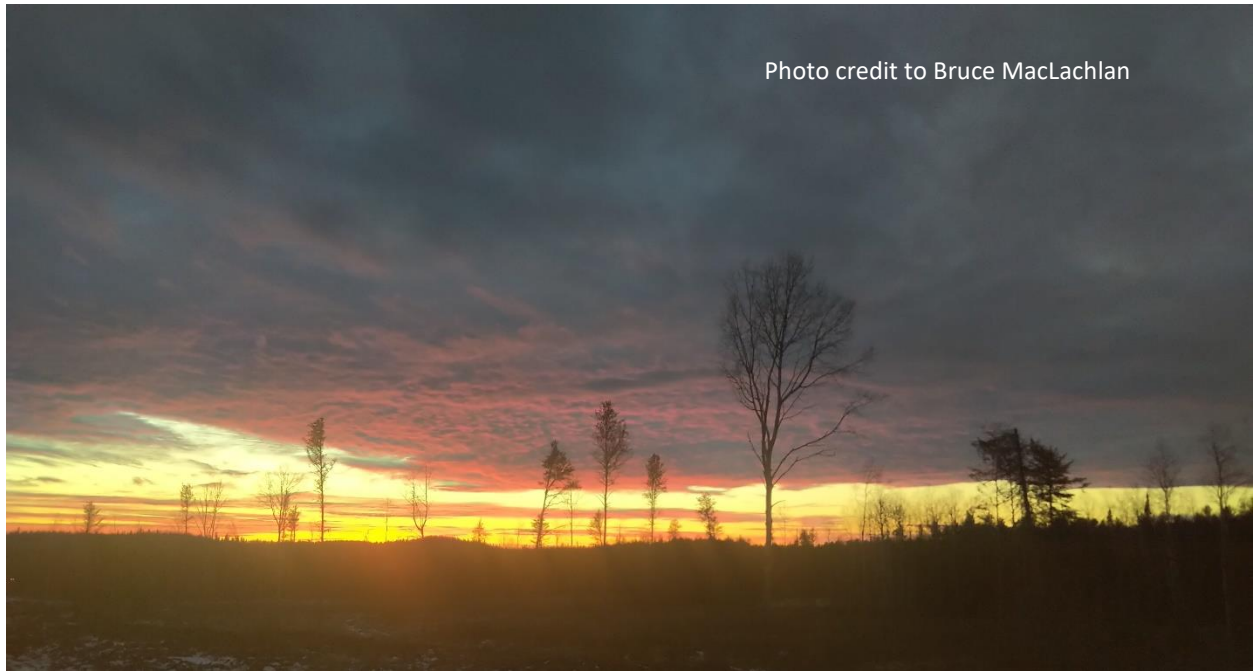


Photo credit to Bruce MacLachlan

November 2, 2020 – Sunset over the South of Otter Property in the Red Lake Gold Camp, northwestern Ontario

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## Introduction



Portofino Resources Inc. (“Portofino” or the “Company”) is a young corporation. It has aspirations of evolving from an early stage prospector to a mine discoverer/developer. The Company’s Board of Directors and Management understand each step in the process of searching for, discovery, definition and extraction of minerals can significantly impact the health of our land, waters and air. In addition, the need for and importance of resource extraction for the economic well-being of Canada and all countries must weigh equally with environmental and sustainability concerns in a project’s feasibility.

Portofino believes that there is no better time than now to launch its Environment, Social and Governance (“ESG”) Policies and reporting standards.

It is our intention for our policies to specify our commitments to:

- Maintain best practices and high standards in health, safety, environment and community development;
- Minimize risks to our shared environment by engaging in best practices and innovations associated with waste and water management;
- Our respectful engagement with the First Nations and Metis people, and the agencies, organizations and government through meaningful exchanges and collaborations, attention to traditions and participation in the economic benefits of our business endeavors;
- Inclusion in all policies of an emphasis on health and wellness, to the protection and respect for human rights and to minimize our impact on the environment and the eco-systems in the areas in which we explore, develop and ultimately mine;
- Be attentive to our diversity and inclusion duties in preparing and implementing our policies in this regard;
- Create and maintain a culture of excellence to continuously improve skills and performance and to have requirements for health, safety, community development and the environment; and,
- Above all, always act ethically, with honesty and integrity and to expect nothing less from those with whom we deal.

## Our Strategy for Sustainable Mineral Exploration and More

Portofino’s promise is for sustainable, responsible mineral exploration regardless of location. The Company has a history of operating in quite disparate jurisdictions; some have prevailing laws that could otherwise allow for less conscientious and unacceptable practices. Our Company has committed to always act in accordance with these policies beginning with our exploration programs irrespective of location. Furthermore, Portofino will have operational guidance in its policies that will be reviewed and adjusted in recognition of sensitive ecospheres, the unique cultural identity of the local residents and the real, additive impact of the ever-changing climate, and to reflect the anticipated maturity of Portofino as a mining company.

### Oversight, Management and Reporting

Initially the oversight, management and reporting will be the joint responsibility of the Chairman of the Board and Portofino’s Chief Financial Officer (the “ESG Committee”). It is planned that as the Company and its Board grows, the ESG Committee will be composed of at least 2 independent directors and will be chaired by the Chairman of the Board. The main purpose of the ESG Committee will be to review, monitor and make recommendations to the Board in respect of the technical, health and safety, environmental, community, business conduct, risk management, human rights policies and activities of the Company in order to verify that such policies and activities reflect, and are in accordance with the Company’s values and policies.

The ESG Committee will have oversight of the adherence to and on any needed changes made to the ESG policies as Portofino and its operations mature. In addition, the ESG Committee will ensure that the ESG reports are prepared annually by the Company’s President and are complete. The ESG Committee will meet regularly with Management, in person or by telephone, to review and monitor progress and report its findings to the Board.

Portofino’s President will ensure that all of Portofino managers, staff, employees and consultants are familiar with the ESG policies, in particular to all policies that would be applicable to their duties and tasks. The President will monitor operations of the Company so that in each of its quarterly management discussion and analyses (MDA) there may be a brief summary of the ESG measures undertaken during the report period. At the completion of the fiscal year, the President will prepare an Annual ESG Report in sufficient detail and using such language as to be understood by a non-technical lay person.

The Annual ESG Report will address all activities governed by Portofino’s ESG policies including:

- Environment protection policies;
- Social issues consisting of Portofino’s commitment to diversity, health and safety, inclusion and education; and,
- Governance practices for all our Portofino directors, staff, consultants and suppliers where our policies exist or are being prepared.

Each Annual ESG Report will conclude with recommendations and directives by which the ESG Committee and Management can amend any policies to remain abreast with the growth and development of Portofino and to reflect any changes of governmental regulations affecting our ESG Policies.

**Portofino Resources Inc. – Environmental, Social & Governance Policy**

Below: Photograph of trench in the South of Otter project after remediation.



To right: Photograph of the above trench before remediation.



## Policies for Sustainable Exploration and Development

### ENVIRONMENTAL POLICY

Portofino's policy for sustainable operations at all levels of exploration and development comprises the protection of the natural environment – water, land and air. We will comply with or exceed the regulatory requirements and diligently apply technically proven and economically feasible methodologies to protect the environment throughout our activities. Wherever possible, Portofino will commit to correct those environmental problems even if created in previous times or by previous operators.

The following constitute the Environmental Policy of our Company:

- Environmental management is now and will remain a corporate priority and will include policies, programs and practices for conducting all of our activities in an environmentally sound manner.
- The performance of environmental programs and practices will be monitored to ensure strict compliance with regulatory requirements.
- Throughout the growth of Portofino and the advancement of our mineral projects, the Company will design and operate facilities based upon the use of energy, resources and materials that ensures efficiency and compliance with sustainable development.
- At all times and activities, we will strive to identify, assess and minimize environmental risks.
- For all working sites, the Company will plan and maintain emergency preparedness plans to ensure protection of the environment, workers and the public.
- We will require our suppliers and contractors to comply with our environmental requirements and work cooperatively with suppliers to identify opportunities to improve environmental quality and performance.
- Portofino shall be prepared to openly discuss environmental issues with employees and the public, and to be responsive to concerns and that all employees are fully instructed and are able to and empowered to fulfill their environmental responsibilities.
- Our operating plans will address preparations to reclaim sites in accordance with site specific criteria in a planned and timely manner, and whenever possible include contingencies for on-going clean-ups.
- Portofino will further commit to programs of continual improvement through regular reviews of environmental performance, appraisals of technical and economic development and advancements in the scientific understanding of environmental impacts and corrective measures.

### SOCIAL RESPONSIBILITY POLICY

The success of Portofino and its objective to sustainable exploration and development will require building and maintaining trust and two-way positive relationships with all of our stakeholders; our employees, local residents and their communities, and our shareholders. We believe that these relationships are dependant upon regular communication and by working cooperatively to understand respective interests and concerns as it pertains to mineral resource exploration and development. Social responsibility will be integrated into our plans and activities in the following manner:

- At each planning stage, the Company will assess the environmental and social effects of our activities and develop appropriate corresponding management plans.

## Portofino Resources Inc. – Environmental, Social & Governance Policy

- Portofino shall through regular communications disclose project information and pursue meaningful and culturally appropriate dialogue on project effects with local residents and communities and key stakeholders in the advancing phase of our projects. Furthermore, we intend to continue to engage the First Nations and the Metis, their local communities and other key stakeholders throughout the life of the project.
- Portofino will foster at all of its workplaces an environment that is safe, free of discrimination and builds on a strong foundation of ethical behavior, respecting human rights and ensuring equal access to employment opportunities for all.
- We will focus upon protecting employee and community health and safety by supporting protective programs and by working cooperatively with those who may be affected by our operations.
- Portofino will work with the local people and their communities to develop and support sustainable strategies to maximize the long-term economic benefits of mine development.
- We plan to establish management and monitoring systems that will provide opportunities for continual improvement in our environment, health and safety and social programs.
- As it develops its projects and grows, Portofino intends to have an increasing role in the encouragement for further education and skills development for the local people and to ultimately contribute to community facilities and preservation of cultural heritage.

## CORPORATE GOVERNANCE POLICIES

Portofino has and is maintaining several policies concerning Corporate Governance. The Board is responsible for the Policies and regularly receives guidance from Management respecting possible amendments and updating. The existing policies include:

- Audit Committee Charter
- Code of Business Conduct
- Code of Ethics
- Whistleblower Policy

**PORTOFINO RESOURCES INC.**

**CODE OF BUSINESS CONDUCT AND ETHICS**

**Introduction**

This code of conduct (the "**Code**") applies to everyone at Portofino Resources Inc. (the "**Company**"), including employees, officers and board members regardless of their position in our organization, at all times and everywhere we do business.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which everyone at the Company is expected to comply.

We require the highest standards of professional and ethical conduct from our employees, officers and directors. Our reputation for honesty and integrity is important for the success of our business. No one at the Company will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We aim for our business practices to be compatible with, and sensitive to, the economic and social priorities of each location in which we operate. Although customs vary from country to country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity.

In addition to following this Code, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Code is not a complete code of conduct. It sets forth general principles and does not supersede the specific policies and procedures that are in effect from time to time.

This Code will be reviewed periodically by the board of directors (the "**Board**") of the Company and supplemented as required from time to time.

**SPECIFICS OF CODE**

**I. Compliance with Laws, Rules and Regulations**

We have a responsibility to monitor all legal boundaries and comply with all applicable laws and regulations in all of our activities worldwide. Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is important for our reputation and continued success. We must respect and obey the laws of the cities, states and countries in which we operate and avoid even the appearance of impropriety. Individuals who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including discharge from the Company.

**II. Conflicts of Interest**

A conflict of interest occurs when:

- an individual's personal interests interfere, or appear to interfere, in any way, with the interests of the Company;
- an individual takes action for his or her direct or indirect benefit or the direct or indirect benefit of a third party that is inconsistent with the interests of the Company; or
- an individual, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Board of Directors. Where a conflict involves a Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the Company), the Board member involved



## Portofino Resources Inc. – Environmental, Social & Governance Policy

will be required to disclose his or her interest to the Board and refrain from voting at the board meeting of the Company considering such contract or transaction in accordance with applicable law.

It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be reported immediately to the Chief Executive Officer or the Chairman of the Board of Directors. For unresolved potential conflicts involving any employee or where a member of senior management or a board member is involved in a potential conflict, the issue should be referred to the Board of Directors (assisted by legal counsel as necessary).

### **III. Corporate Opportunities**

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and are prohibited from taking, for themselves personally, opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain, except where the Board has, after receiving the necessary information concerning such opportunity and receiving advice of legal counsel if required, relinquished its interest in an opportunity in compliance with applicable corporate law. A director interested in a corporate opportunity being considered by the Board shall refrain from voting at the board meeting considering such opportunity.

If an employee has any doubt as to the whether any activity, they are contemplating violates this requirement, they must refer the issue to the Chief Executive Officer or the Chairman of the Board of Directors.

### **IV. Confidentiality**

Directors, officers and employees of the Company must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated.

The obligation to preserve confidential information continues even after you leave the Company.

Confidential information includes all non-public information that may be of use to competitors or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

### **V. Protection and Proper Use of Company Assets**

We should all endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported to the Chief Executive Officer or the Chairman of the Board of Directors for investigation.

Company assets, such as funds, products, or computers, may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after you leave the Company.

**VI. Insider Trading**

Insider trading is unethical and illegal. We are not allowed to trade in securities of any company while in possession of material non-public information regarding that company. This includes the Company or any other company. It is also illegal to "tip" or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further.

**VII. Fair Dealing**

We should all endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No one at the Company should take unfair advantage of anyone through illegal conduct, concealment, manipulation, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

**VIII. Compliance with Environmental Laws**

The Company is sensitive to the environmental, health and safety consequences of its operations. Accordingly, the Company's policy is to comply with all applicable environmental laws and regulations within all jurisdictions in which it operates. If any employee has any doubt as to the applicability or meaning of a particular environmental, health or safety regulation, he or she should discuss the matter with the Chief Executive Officer or the Chairman of the Board of Directors.

**IX. Equal Opportunity**

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment.

**X. Safety and Health**

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Company is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices, or conditions immediately to a supervisor or other designated person. In order to protect the safety of all employees, employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

**XI. Financial and Business Disclosure and Accuracy of Company Records and Reporting**

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions and to meet our reporting obligations to our stakeholders. This includes both the Company's financial reporting and ongoing disclosure requirements under applicable securities and stock exchange requirements. The Company's accounting and other records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies, and others.

Full, fair, accurate, timely and understandable disclosure in the reports and other documents that we file with, or submit to, securities regulators and stock exchanges and in our other public communications is critical for us to maintain our good reputation, to comply with our obligations under the securities laws and to meet the expectations of our shareholders and other members of the investment community. In preparing such reports and documents and other public communications, the following guidelines should be adhered to:

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- all accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- all accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- no accounting records should contain any false or intentionally misleading entries;
- no transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- no information should be concealed from the internal auditors or the independent auditors; and
- compliance with the Company's system of internal controls is required.

If any employee, officer or director of the Company has concerns or complaints regarding accounting or auditing issues, he or she is encouraged to submit those concerns to a member of the Audit Committee of the Board.

Business records and communications often become public through legal or regulatory investigations or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including e-mail and informal notes or interoffice memos. Records must be retained in strict accordance with the Company's records retention policy and should only be destroyed as and when permitted under that policy.

### **XII. Use of E-Mail and Internet Services**

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You should not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, ethnic or racial slurs, or other messages that could be viewed as harassment.

Your messages (including voice mail) and computer information are considered the property of the Company and you should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

Violation of these policies may result in disciplinary actions up to and including dismissal from the Company.

### **XIII. Gifts and Entertainment**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise, or appear to compromise, our ability to make objective and fair

## Portofino Resources Inc. – Environmental, Social & Governance Policy

business decisions. The same rules apply to employees offering gifts and entertainment to our business associates.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. Under no circumstances should any gift, gratuity or entertainment be offered or given to a public official without prior consultation with the Chief Executive Officer or the Chairman of the Board of Directors who, with the advice of counsel as necessary, will determine acceptability from both a legal and a corporate policy point of view. See "Payments to Domestic and Foreign Officials" below.

The value of gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals. If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, consult your supervisor and ask yourself whether or not the gift or item is legal, business related, moderate and reasonable, whether or not public disclosure would embarrass the Company, and whether or not there is any pressure to reciprocate or grant special favors.

### **XIV. Payments to Domestic and Foreign Officials**

Employees and officers of the Company must comply with all applicable laws prohibiting improper payments to domestic and foreign officials, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act of 1997* (United States) (collectively, the "Acts").

While the Acts are not identical, the Acts generally make it illegal for a person, in order to obtain or retain business, directly or indirectly, to offer or agree to give or offer loans, rewards, payments or benefits of any kind to foreign public officials or to any person for the benefit of public officials. Foreign public officials include persons holding a legislative, administrative or judicial position of a foreign state, persons who perform public duties or functions for a foreign state (such as persons employed by board, commissions or government corporations), officials and agents of international organizations, foreign political parties and candidates for office.

You should assume, in the first instance, that any payment to a foreign public official, including a so-called "facilitation payment" is illegal. If you have any questions about the application of this policy to any particular situation, please report to the Chief Executive Officer or the Chairman of the Board of Directors who, with the advice of counsel as necessary, will determine acceptability from both a legal and a corporate policy point of view, and any appropriate accounting treatment and disclosures which are applicable to the particular situation.

Violation of either of the Acts is a criminal offence, subjecting the Company to substantial fines and penalties and any officer, director or employee acting on behalf of the Company to imprisonment and fines. Violation of this policy may result in disciplinary actions up to and including dismissal from the Company.

### **XV. Reporting of any Illegal or Unethical behavior**

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to report violations of laws, rules, regulations or this Code to their supervisor, to the Chief Executive Officer or the Chairman of the Board of Directors. We prohibit retaliatory action against any

## Portofino Resources Inc. – Environmental, Social & Governance Policy

employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

### **XVI. Amendment, Modification and Waivers of the Code of Business Conduct and Ethics**

The Code may be amended or modified by the Board of Directors and waivers may be granted by a vote of the independent directors of the Board, subject to disclosure and other provisions of applicable securities legislation and stock exchange requirements.

### **XVII. Compliance Procedures**

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances, or if you have any questions concerning your obligations under this Code, we encourage you to use your common sense, and to contact your supervisor or a member of senior management for guidance. Senior management or directors are encouraged to consult with the Chief Executive Officer or the Chairman of the Board of Directors or such other senior officer who may be designated by the Corporation from time to time.

If you fail to comply with this Code or applicable laws, rules or regulations you will be subject to disciplinary measures, up to and including dismissal from the Company. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties for you, your supervisors and/or the Company.

You are expected to report all violations of this Code promptly by one of the following methods: to your supervisor, the Chief Executive Officer or the Chairman of the Board of Directors. You may choose to remain anonymous in reporting any possible violation of this Code and all reports will remain confidential.

## **WHISTLEBLOWER POLICY**

The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters. A copy of the procedures is attached as Schedule "A".

## **SCHEDULE “A”**

### ***To the Audit Committee Charter***

#### ***Procedures for the Submission of Complaints or Concerns Regarding Accounting, Internal Accounting Controls, Auditing Matters***

The Audit Committee of the Board of Directors of **Portofino Resources Inc.** (the “Company”) has established procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by employees of the Company and others, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters.

In accordance with National Instrument 52-110, the Audit Committee has adopted the following procedures:

1. The Company shall promptly forward to the Audit Committee any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
2. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns (the “concern”) regarding financial statement disclosures, accounting, internal accounting controls or auditing matters. All such concerns shall be set forth in writing and forwarded in a sealed envelope to any senior officer of the Company or to the Company’s general counsel at:

Cawkell Brodie LLP  
301 – 1228 Hamilton Street  
Vancouver, BC, V6B 6L2  
Attention: Kenneth A. Cawkell

If an employee would like to discuss the concern with a member of the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate.

3. Following the receipt of any concern submitted hereunder (the “submission”), the Audit Committee will investigate each matter so reported and take such steps, actions or institute such procedures as the Audit Committee deems appropriate.
4. The Audit Committee may enlist employees of the Company and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of the submission and such other outside advisors shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.
5. The Board of Directors stands behind this policy and guarantees that no retaliation of any kind will be taken or permitted to be taken against employees with respect to any submission made in good faith.
6. The Audit Committee shall retain the submission and the documentation related thereto as part of the records of the Audit Committee.

**AUDIT COMMITTEE  
PORTOFINO RESOURCES INC.**