



## I. AUDIT COMMITTEE MANDATE

### A. Purpose: Responsibilities and Authority

The Audit Committee shall carry out its responsibilities under applicable laws, regulations and stock exchange requirements with respect to the employment, compensation and oversight of the Company's independent auditor, and other matters under the authority of the Committee.

The Audit Committee shall also assist the Board of Directors in carrying out its oversight responsibilities relating to the Company's financial, accounting and reporting processes, the Company's system of internal accounting and financial controls, the Company's compliance with related legal and regulatory requirements, and the fairness of transactions between the Company and related parties. In furtherance of this purpose, the Audit Committee shall have the following responsibilities and authority:

#### **(a) Relationship with Independent Auditor.**

- (i) Subject to the laws of British Columbia as to the role of the shareholders in the appointment of independent auditors, the Audit Committee shall have the sole authority to appoint or replace the independent auditor.
- (ii) The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- (iii) The independent auditor shall report directly to the Audit Committee.
- (iv) The Audit Committee shall approve in advance all audit and permitted non-audit services to be completed by the independent auditor, including the terms of the engagements and the fees payable; provided that the Audit Committee Chair may approve services to be performed by the independent auditors and the fee therefor between Audit Committee meetings, provided that any such approval shall be reported to the Audit Committee at the next meeting thereof. The Audit Committee may delegate to a subcommittee the authority to grant pre-approvals of audit and permitted non-audit services, provided that the decision of any such subcommittee shall be presented to the full Audit Committee at its next scheduled meeting.
- (v) At least annually, the Audit Committee shall review and evaluate the experience and qualifications of the independent auditor team.
- (vi) At least annually, the Audit Committee shall obtain and review a report from the independent auditor regarding:



- 1) the independent auditor’s internal quality-control procedures;
  - 2) any material issues raised by the most recent internal quality-control review, or peer review of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm any steps taken to deal with any such issues; and
  - 3) all relationships between the independent auditor and the Company.
- (vii) At least annually, the Audit Committee shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor’s quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor’s independence.
- (viii) The Audit Committee shall recommend to the Board policies for the Company’s hiring of employees or former employees of the independent auditor who were engaged on the Company’s account or participated in any capacity in the audit of the Company.
- (ix) The Audit Committee shall oversee the implementation by management of appropriate information technology systems for the Company, including as required for proper financial reporting and compliance.

**(b) *Financial Statement and Disclosure Review.***

- (i) The Audit Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether the audited financial statements and management discussion and analysis should be filed with applicable securities regulatory authorities and included in the Company’s annual reports.
- (ii) The Audit Committee shall review and discuss with management (and, to the extent the Audit Committee deems it necessary or appropriate, the independent auditor) the Company’s quarterly financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether such financial statements and management discussion and analysis should be filed with applicable securities regulatory authorities.
- (iii) The Audit Committee shall review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the independent auditor’s assessment of the



quality of the Company's accounting policies, any significant changes in the Company's selection or application of accounting policies, any major issues as to the adequacy of the Company's internal controls over financial reporting, and any special steps adopted in light of material control deficiencies.

- (iv) At least annually and prior to the publication of annual audited financial statements, the Audit Committee shall review and discuss with management and the independent auditor a report from the independent auditor on:
  - 1) all critical accounting policies and practices used by the Company;
  - 2) any alternative accounting treatments of financial information that have been discussed with management since the prior report, ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and an explanation of why the independent auditor's preferred method was not adopted; and
  - 3) other material written communications between the independent auditor and management since the prior report, such as any management letter or schedule of unadjusted differences, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.
- (v) Prior to their filing or issuance, the Audit Committee shall review the Company's Annual Information Form/Annual Report to the SEC, quarterly and annual earnings press releases, and other press releases containing financial information, including the use of "pro forma" or "adjusted" non-GAAP information.
- (vi) The Audit Committee shall review and discuss with management the financial information and operating or financial information guidance provided to analysts and rating agencies. Such discussion may be specific or it may be in general regarding the types of information to be disclosed and the types of presentations to be made.

**(c) Conduct of the Annual Audit**

The Audit Committee shall oversee the annual audit, and in the course of such oversight the Audit Committee shall have the following responsibilities and authority:

- (i) The Audit Committee shall meet with the independent auditor prior to the audit to discuss the planning and conduct of the annual audit, and



shall meet with the independent auditor as may be necessary or appropriate in connection with the audit.

- (ii) The Audit Committee shall ascertain that the independent auditor is registered and in good standing with the Canadian Public Accountability Board and the Public Company Accounting Oversight Board (“PCAOB”), if applicable, and that the independent auditor satisfies all applicable independence standards (Canadian Auditing Standard 200), PCAOB Rule 3526 and SEC Regulation S-X, Section 2-01. The Audit Committee shall obtain from the auditor a written description of all relationships between the auditor and the Company and persons in a financial reporting oversight role at the Company, that may reasonably be thought to bear on independence.
- (iii) The Audit Committee shall discuss with the independent auditor the matters required to be discussed by PCAOB Auditing Standard No. 16 and Canadian Auditing Standard 260 relating to the conduct of the audit.
- (iv) The Audit Committee shall obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A of the *Securities Exchange Act of 1934* and that, in the course of conducting the audit, the independent auditor has not become aware of information indicating that an illegal act has or may have occurred or, if such an act may have occurred, that the independent auditor has taken all action required by Section 10A(b) of the *Securities Exchange Act of 1934*.
- (v) The Audit Committee shall make such inquiries to the management and the independent auditor as the Audit Committee members deem necessary or appropriate to satisfy themselves regarding the efficacy of the Company’s financial and internal controls and procedures and the auditing process.

**(d) Compliance and Oversight**

- (i) The Audit Committee shall meet periodically with management and the independent auditor in separate executive sessions. The Audit Committee may also, to the extent it deems necessary or appropriate, meet with the Company’s investment bankers and financial analysts who follow the Company.
- (ii) The Audit Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as any off-balance sheet structures on the Company’s financial statements.
- (iii) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Audit Committee shall review with management and the independent auditor the disclosure controls and procedures and confirm



that the Company (with Chief Executive Officer and Chief Financial Officer participation) has evaluated the effectiveness of the design and operation of the controls within 90 days prior to the date of filing of the AIF/Annual Report to the SEC. The Audit Committee also shall review with management and the independent auditor any deficiencies in the design and operation of internal controls and significant deficiencies or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls. As a part of that review, the Audit Committee shall review the process followed in preparing and verifying the accuracy of the required Chief Executive Officer and Chief Financial Officer annual certifications.

- (iv) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Audit Committee shall review with management and the independent auditor management's internal control report and assessment of the internal controls and procedures, and the independent auditor's report on and assessment of the internal controls and procedures. In connection with its review of interim and annual financial statements and related management's discussion and analysis, the Audit Committee shall confirm with management that the Company (with Chief Executive Officer and Chief Financial Officer participation) has taken all actions required in connection with the certifications required by National Instrument NI 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings.
- (v) The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (vi) The Audit Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or reports which raise material issues regarding the Company's financial statements or accounting policies.
- (vii) The Audit Committee shall oversee the preparation of reports relating to the Audit Committee required under applicable laws, regulations and stock exchange requirements.
- (viii) The Audit Committee shall exercise oversight with respect to anti-fraud programs and controls.

**(e) Risk Assessments**

The Audit Committee shall periodically, and no less than once a year, receive a report from the Chief Financial Officer aggregating risk assessments within the



entire organization and shall consider and discuss risks and the steps management has taken to monitor and control such exposures, including the top risks identified by the Chief Financial Officer and the policies and practices adopted by the Company to mitigate those risks. These risks should include, without limitation, consideration of:

- (i) operational risks associated with the Company's business and mining operations including exposure to occupational health & safety, human rights and environmental risks assessed by the Sustainability Committee and the risk of unprofitable operations;
- (ii) an assessment of mitigation steps taken by management to address significant risks or exposures identified in previous risk assessments;
- (iii) financial risks associated with investing, hedging or other financial instruments;
- (iv) cyber security risk exposures and measures taken to protect the security and integrity of the Company's management information systems and Company data;
- (v) assessment of internal control risks and exposures identified by the internal and external auditors and management and cost benefit analyses of steps that may be taken to minimize such risks;
- (vi) personal conduct risks associated with inappropriate behaviour by management, staff or consultants;
- (vii) political, taxation, litigation and reputational risks;
- (viii) risks related to management of any joint venture arrangements;
- (ix) climate change;
- (x) the Company's crisis management and response plans and business continuity plans (including work stoppage and disaster recovery plans);
- (xi) risks related to changes or potential changes in regulation that affect current and planned operations;
- (xii) the availability and or adequacy of insurance coverage for insurable risks; and
- (xiii) assessing the adequacy of disclosure of the foregoing risks in particular mineral reserves and resources estimation.



**(f) Legal and Ethics Compliance Matters**

The Audit Committee shall periodically, and no less than once a year, consider and discuss the Company’s legal and ethics compliance matters. The matters should include, without limitation, consideration of:

- (i) legal and regulatory compliance matters that could have a material impact on the Company’s business, operations or financial statements;
- (ii) the effectiveness of the Company’s disclosure controls and procedures in ensuring compliance by the Company with securities law and stock exchange disclosure requirements;
- (iii) an annual review of the appropriateness and effectiveness of the Company’s compliance policies; and
- (iv) the appropriateness of the Company’s compliance with the requirements of the *Corruption of Foreign Public Officials Act of 1999* (Canada) and the *Foreign Corrupt Practices Act of 1977* (USA).

The Audit Committee may meet with the Company’s legal counsel, as appropriate, to discuss these matters.

**(g) Related Party Transactions**

- (i) The Audit Committee shall review for fairness to the Company, proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any related party (as defined below) or affiliate, and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued. The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company’s Compensation Committee.
- (ii) As used herein the term “related party” means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term “affiliate” means any person, whether acting alone or in concert with others, that controls, is controlled by or is under common control with another person.

**(h) Additional duties**

The Audit Committee shall perform the following additional duties:

- (i) The Audit Committee shall review and approve dividend policies.
- (ii) The Audit Committee shall review the Company’s insurance program and approve insurance policy limits.



- (iii) The Audit Committee shall review the appointment of and make recommendations to the Board of Directors regarding the appointment of the Chief Financial Officer.
- (iv) The Audit Committee shall recommend to the Compensation, Governance and Nominating Committee the qualifications and criteria for membership on the Audit Committee.
- (v) The Audit Committee shall review and discuss with management the requirement for annual public disclosure pursuant to the *Extractive Sector Transparency Measures Act* (“Canada”).
- (vi) The Audit Committee shall administer the Whistleblower Policy.

## **B. Structure and Membership**

### **(a) Number and qualification**

The Audit Committee shall consist of a minimum of three persons unless the Board should from time to time otherwise determine. All members of the Audit Committee shall meet the experience and financial literacy requirements of National Instrument NI 52-110 and the rules of the Toronto Stock Exchange and the NYSE American. At least one member of the Audit Committee shall be a “financial expert” as defined in Item 407 of SEC Regulation S-K.

### **(b) Selection and Removal**

Members of the Audit Committee shall be appointed by the Board, upon the recommendation of the Compensation, Governance and Nominating Committee. The Board may remove members of the Audit Committee at any time with or without cause.

### **(c) Independence**

All of the members of the Audit Committee shall be “independent” as required for audit committees by National Instrument NI 52-110, the rules of the Toronto Stock Exchange and the NYSE American, and SEC Rule 10A-3.

### **(d) Chair**

The Audit Committee shall elect a Chair by majority vote.

### **(e) Compensation**

The compensation of the Audit Committee shall be as determined by the Board.





**(f) Term**

Members of the Audit Committee shall be appointed for one-year terms. Each member shall serve for the ensuing year until his or her replacement is appointed, or until he or she resigns or is removed from the Board or the Audit Committee.

**C. Procedures and Administration**

**(a) Meetings**

The Audit Committee shall meet as often as it deems necessary in order to perform its responsibilities, but not less frequent than quarterly. The Audit Committee shall keep minutes of its meetings and any other records as it deems appropriate.

**(b) Subcommittees**

The Audit Committee may form and delegate authority to one or more subcommittees, consisting of at least one member, as it deems appropriate from time to time under the circumstances.

**(c) Reports to the Board**

The Audit Committee shall regularly report to the Board with respect to such matters as are relevant to the Audit Committee's discharge of its responsibilities, and shall report in writing on request of the Chair of the Board.

**(d) Mandate**

The Audit Committee shall, at least annually, review and reassess the adequacy of this Mandate and recommend any proposed changes to the Board for approval.

**(e) Independent Advisors**

The Audit Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors to the Company. The Audit Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to advisors engaged by the Audit Committee.

**(f) Investigations**

The Audit Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Audit Committee and to access all Company records.



**D. Additional Powers**

The Audit Committee shall have such other powers as may be delegated from time to time by the Board.

**E. Limitation of Audit Committee’s Role**

While the Audit Committee has the responsibilities and powers set forth in this Mandate, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

**F. Audit Committee Member Independence, Financial Literacy and Financial Expert Requirements**

**(a) Independence**

See Section IV of the Company’s Corporate Governance Policies and Procedures Manual.

**(b) Financial Literacy and Financial Expert Requirements**

**(i) NI 52-110**

Section 3.1(4) states that each audit committee member must be financially literate.

Section 1.6 defines the meaning of financial literacy as follows:

“For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.”

**(ii) NYSE American Section 803(B)(2)(a)(iii)**

Each issuer must have an Audit Committee of at least three members, each of whom:

“is able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement. Additionally, each issuer must certify that it has, and will continue to have, at least one member of the audit committee who is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which



results in the individual’s financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) of Regulation S-K or Item 3 of Form N-CSR (in the case of a registered management investment company) is presumed to qualify as financially sophisticated.”

**(iii) ITEM 407(d)(5)(ii) OF REGULATION S-K, DEFINITION OF FINANCIAL EXPERT**

For purposes of this Item, an audit committee financial expert means a person who has the following attributes:

- 1) An understanding of generally accepted accounting principles and financial statements;
- 2) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- 3) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- 4) An understanding of internal control over financial reporting; and
- 5) An understanding of audit committee functions.

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A person shall have acquired such attributes through:

- 1) Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- 2) Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- 3) Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- 4) Other relevant experience.

**Reviewed and approved by the Board of Directors on March 28, 2023**