



K92 MINING INC.

(the "Company")

AUDIT COMMITTEE CHARTER

1. PURPOSE

The Audit Committee (the "Committee") is a committee of the Board of Directors of the Company (the "Board"). The Audit Committee is accountable to the Board.

- A.** The Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with respect to:
 - (a) the integrity of the financial information to be provided to the shareholders and others,
 - (b) the adequacy and maintenance of the systems of internal controls, and accounting and financial reporting processes that management has established under supervision of the Audit Committee,
 - (c) the Company's internal and external audit process including the external auditor's qualifications, independence and performance,
 - (d) the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Company's business (the "**Risks**"), and
 - (e) monitoring compliance with the Company's legal and regulatory requirements with respect to its Committee mandate and financial disclosure.
- B.** In the course of fulfilling its specific responsibilities, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board. In addition, the Committee will facilitate communication among the auditors, management and the Board for financial reporting and control matters.
- C.** The Committee, in collaboration with the external auditors, has the duty to review and ensure that the Company's financial disclosures are complete and accurate, are in accordance with generally accepted accounting principles and fairly present the financial position and Risks of the Company's business.
- D.** The responsibilities of a member of the Audit Committee are in addition to such member's fiduciary responsibility and duties as a member of the Board.

2. COMPOSITION AND MEMBERSHIP

- A.** The Audit Committee shall consist of at least three Directors of the Company who shall serve on behalf of the Board. The members will be appointed annually by the Board at the time of each annual meeting of shareholders and shall hold office until the next annual meeting or until

- they cease to be directors or Committee members. The Board may, at any time and from time to time, remove or replace any member of the Committee, fill any vacancy in the Committee or add a member to the Committee.
- B. The members shall meet the independence, financial literacy and experience requirements of applicable securities laws and of the stock exchange(s) on which the securities of the Company are listed.
 - C. Financial literacy means the ability to read and understand a set of financial statements and associated notes that represent 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 Company's consolidated financial statements.
 - D. The Board will appoint one member of the Committee to act as the chair ("**Chair**") of the Committee. The Chair shall preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this Charter, and provide reports of the Audit Committee to the Board.

3. PROCEDURAL MATTERS

A. General

As part of its responsibilities, authorities and procedures, the Audit Committee shall:

- (a) take charge of all responsibilities imparted on an Audit Committee of the Company, as they may apply from time to time, under the Business Corporations Act (*British Columbia*), National Instrument 52-110 - *Audit Committees*, and any other applicable laws or stock exchange rules;
- (b) report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the subsequent Board meeting. The reports of the Committee shall include any issues of which the Committee is aware with respect to the integrity of the Company's financial statements, any instances of fraud or illegal acts, its compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor and changes in Risks;
- (c) review the performance of the Audit Committee, including its compliance with this Charter, on an annual basis and report the results of its evaluation to the Board;
- (d) review and assess this Audit Committee Charter at least annually and recommend any proposed changes to the Board of Directors.
- (e) have the power to conduct or authorize investigations into any matter within the scope of its responsibilities;
- (f) have the authority to communicate directly with the external and auditors;
- (g) have the right to communicate directly with the CFO and other members of management who have responsibility for the accounting and financial reporting process, if applicable; and

- (h) have the authority to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

B. Meetings and Transacting of Business

- (a) The Committee shall meet regularly and at least on a quarterly basis either by telephone conference or in person.
- (b) The Committee shall have the opportunity to hold in-camera sessions without the presence of management after each meeting.
- (c) A meeting may be called at the request of the external auditor, the Chair of the Board, the Chief Executive Officer (“CEO”) or the CFO, or any member of the Committee by notifying the Company’s Corporate Secretary who will notify the members of the Audit Committee. In advance of every meeting of the Committee, the Chair, with the assistance of the CFO, will ensure that the agenda and meeting materials are distributed in a timely manner.
- (d) No business may be transacted by the Audit Committee at a meeting of its members unless a quorum of the Committee is present. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
- (i) The Chair of the Committee shall chair each meeting. In his or her absence, the Committee may appoint another person to act as chair of a meeting of the Committee provided a quorum is present. The Chair will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.
- (j) The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any directors, officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities;
- (j) The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held.
- (k) If a meeting is not convened, the Audit Committee may alternatively approve matters by resolution in writing signed by all the members of the Committee.

C. Engagement of Other Advisors

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board of Directors in order to retain or compensate such consultants or advisors. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

D. Access to Information

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the Chief Executive Officer ("CEO"), Controller or CFO such records and other matters considered appropriate.

4. RESPONSIBILITIES

The Committee shall have the duties and responsibilities set out below as well as any other duties that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these duties and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**").

A. External Auditors

The Audit Committee has primary responsibility for the selection, engagement, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the shareholders and the Board as is required under applicable legislation and stock exchange requirements. For this purpose, the Audit Committee may consult with management.

The responsibilities of the Audit Committee in respect of external auditors are to:

- (a) Recommend to the Board:
 - i. whether the current external auditor should be re-nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
 - ii. if the current external auditor is not to be re-nominated, an acceptable alternative auditor; and
 - iii. the compensation to be paid to the external auditor.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company. The external auditors must report directly to the Audit Committee.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting through querying management and the external auditors.
- (d) Take reasonable steps to confirm, at least annually, the independence of the external auditors.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditors.
- (f) Consider, in consultation with the external auditors, the audit scope and plan of the external auditors and the related engagement letter, and recommend approval of same to the Board.

- (g) Confirm with the external auditor and receive written confirmation at least annually as to the external auditor's internal processes and quality control, and disclosure of any investigations or government enquiries, reviews or investigations of the external auditors, and any steps taken to deal with any such issues.
- (h) In accordance with any applicable regulatory requirements and applicable stock exchanges, pre-approve any non audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any. The Committee may decide pre-approval is not required if:
 - i. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditor during the fiscal year in which the services are provided;
 - ii. the Company or the subsidiary entity of the Company did not recognize the services as non-audit services at the time of the engagement; and
 - iii. the services are promptly brought to the attention of the Audit Committee of the Company and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.
- (i) Review with the external auditors the audit plan, scope and timing of the audit and other related services to be rendered by the independent auditors.
- (j) Obtain confirmation from the external auditors that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 - *Auditor Oversight* and in compliance with governing regulations.
- (k) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures and provide feedback to the extent deemed appropriate.

B. Internal Auditors

The Audit Committee must assist the Board in its oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Audit Committee shall:

- (a) review the terms of reference of the internal auditor and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;
- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with applicable laws and regulations, and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and

- (d) periodically review with the internal auditor any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

C. Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and Risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Ensure the auditors have full, unrestricted access to required information and have the cooperation of management.
- (c) Review with the external auditors, in advance of the audit, the scope and general extent of the external auditors' review, including the audit engagement letter, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (d) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements.
- (e) Review the appropriateness and disclosure of any off-balance sheet matters.
- (f) Review disclosure of related-party transactions and potential conflicts of interest.
- (g) Receive and review with the external auditors, the external auditors' audit reports and the audited or reviewed financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (h) In connection with the annual audit, review material written matters between the external auditors and management, such as management letters, schedules of unadjusted differences and analyses of alternative assumptions, estimates or generally accepted accounting methods.
- (i) Meet with the auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and usage of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.

- (j) Meet at least annually with the external auditors, independent of management, and report to the Board the results of such meetings.

D. Annual Financial Statements, MD&A and Financial Press Releases

The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of annual financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review the annual financial statements, management's discussion and analysis ("MD&A"), and interim profit or loss press releases before the Company publicly discloses this information.
- (d) Provide the Board with such recommendations and reports with respect to the annual financial statements and MD&A of the Company as it deems advisable.

E. Interim Financial Statements, MD&A and Financial Press Releases

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review and, if appropriate approve the interim financial statements, management's discussion and analysis, and interim profit or loss press releases before the Company publicly discloses this information.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.
- (e) Receive and review with the external auditors, the external auditors' interim review reports to the Audit Committee and the reviewed interim financial statements.

F. Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee shall:

- (a) Ensure that management has the proper and adequate systems and procedures in place for the review of the Company's financial statements, financial reports and other financial information, including all Company disclosure of financial information extracted or derived from the Company's financial statements, and that they satisfy all legal and regulatory requirements; periodically assess the adequacy of such procedures.

- (b) Review material financial Risks with management, the plan that management has implemented to monitor and deal with such Risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion and analysis, Annual Information Forms, future-oriented financial information or pro-forma information, press releases and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter in the Company's Annual Information Form, if applicable, the Information Circular and on the Company's website.

G. Internal Controls

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures.

At least annually, the Audit Committee shall consider and review with management and the auditors:

- (a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security), the overall control environment for managing business Risks, accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, regulatory controls, and the impact of any weaknesses in internal controls on management's conclusions;
- (b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (c) the Company's fraud prevention and detection program, including, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting, that may impact the integrity of financial information, or expose the Company to other significant internal or external

fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against those involved; and

- (d) any related significant issues and recommendations of the auditors together with management's responses to them, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

5. WHISTLEBLOWER COMPLAINTS

A. Confidentiality

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Chair of the Audit Committee in accordance with the Company's Whistleblower Policy. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential.

B. Treatment of Complaints

Upon receipt of concerns regarding questionable accounting or auditing matters, the Committee Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action.

C. Recording of Complaints

Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

6. REPORTING

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

7. ANNUAL REVIEW

This Charter will be reviewed annually, and any recommended changes will be submitted to the Board of Directors for approval.

8. EFFECTIVE DATE

This Charter was implemented by the Board on May 20, 2016 and updated on June 1, 2020.