



# **AUDIT COMMITTEE CHARTER**

Effective as of November 23, 2020



This charter has been adopted by the Board of Directors (the “**Board**”) of Mines D’Or Orbec Inc. (the “**Company**” or “**Orbec**”) in order to comply with National Instrument 52-110 (“**NI 52-110**”) and to more properly define the role of the Audit Committee (the “**Committee**”) as it relates to the oversight of the financial reporting process of the Company.

## **1. Purpose**

The Committee is a committee of the Board with the primary function being to assist the Board in fulfilling its oversight responsibilities with respect to:

- i. the integrity, quality and transparency of the Company’s financial statements;
- ii. the Company’s internal controls over financial reporting;
- iii. the Company’s compliance with regulatory and legal requirements related to financial reporting;
- iv. the recommendation to the shareholders for the appointment, and approval of the compensation, of the Company’s external auditor, as well as the responsibility for its independence, qualifications and performance of all audit and audit related work; and
- v. other such duties as assigned to it from time to time by the Board.

The function of the Committee is oversight. The members of the Committee are not full-time employees of the Company. The Company’s management is responsible for the preparation of the Company’s financial statements in accordance with the applicable accounting standards and applicable laws and regulations. The Company’s external auditor is responsible for the audit and review, if applicable, of the Company’s financial statements in accordance with the applicable auditing standards and laws and regulations.

## **2. Authority**

In carrying out its oversight role, the Committee and the Board recognize that the Company’s management is responsible for:

- i. implementing and maintaining suitable internal controls and disclosure controls;
- ii. the preparation, presentation and integrity of the Company’s financial statements; and
- iii. the appropriateness of the accounting principles and reporting policies that are used by the Company.

The Committee shall have the authority to:

- i. engage independent counsel and other advisors as it deems necessary to carry out its duties;
- ii. set and pay the compensation for the advisors employed by the Committee; and
- iii. communicate directly with the internal and external auditors.

### 3. Membership

The Committee and its membership shall meet all applicable legal, regulatory, and listing requirements of the appropriate securities commissions, stock exchanges and any other applicable securities regulatory authority.

- The Committee shall consist of at least three members of the Board.
- Unless a chair (the “Chair”) is elected by the Board, the members of the Committee shall designate a member who shall serve as Chair by an affirmative vote of the majority of the full Committee.
- The majority of the members of the Committee shall be independent and financially literate, except as otherwise permitted under the limited exceptions as set out in NI 52-110 – Audit Committees.
- The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders and the Board may, at any time, amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitute.

### 4. Procedures, Powers and Duties

In carrying out its oversight role, duties and responsibilities, the Committee believes that its policies and procedures should remain flexible, within appropriate regulatory and generally accepted accounting principles guidelines, in order to best react to changing events, conditions and circumstances.

- The Committee will meet at least four times per year (additional details on Meeting obligations can be found in section 5), with authority to convene additional meetings as required.
- The committee will hold private meetings with external auditors, the Chief Financial Officer (“CFO”), Vice President of Finance or any other member acting as the most senior financial officer of the Company and others as necessary.
- Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

### 5. Meetings of the Committee

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements.
- The quorum shall be reached with at least 50% of the members of the Committee are present, either in person, or by telephone.
- The Committee shall keep minutes of its meetings, which shall be available for review by the Board at any time.
- The Committee may, from time to time, appoint any person who need not be a member of the Committee, to act as secretary at any meeting.

- Any director of the Company may attend meetings of the Committee, and the Committee may invite other such officers and employees of the Company as it may see fit, from time to time, to attend meetings of the Committee.

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees, which do not require the approval of the Board.

The Chair of the Committee has the authority to convene additional meetings, circumstances warranted. Any member of the Committee, the Chair of the Board, the Chief Executive Officer (“CEO”) and the CFO or senior financial officer, shall be entitled to request that the Chair of the Committee call a meeting within 48 hours of receipt of such request.

## 6. Responsibilities

The Committee will carry out the following responsibilities:

### *Financial Statement and Related Disclosure Documents*

- Review and discuss with management and the external auditor the quarterly and annual financial statements and the related disclosures contained in the Management’s Discussion and Analysis (MD&A) and news releases and approve, or where required recommend to the Board for approval, subject to any required change being made, prior to the public disclosure of the information by the Company. Such disclosure shall include:
  - i. the choice and justification of significant accounting policies and estimates made by management and the quality, not just the acceptability, of the accounting principles applied by the Company;
  - ii. the reasonableness of any significant judgements made;
  - iii. the clarity and completeness of the financial statement disclosure;
  - iv. any accounting adjustments that were noted or proposed by the external auditor but were not made (as immaterial or otherwise); and
  - v. any communication between the audit team and their national office (where applicable) relating to accounting or auditing issues encountered during their work.

- Review and discuss with management and the external auditor the financial information contained in any prospectus, offering memoranda and/or any other document containing financial information required to be disclosed or filed by the Company and recommend to the Board for approval, in each case, subject to any required change being made prior to the public disclosure of this information.
- Review disclosure related to any insider and related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or reserves included in the Company's public disclosure documents.

#### *Internal Controls*

- Review with management and the external auditor the adequacy and effectiveness of the Company's systems of internal control over financial reporting and disclosure, including policies, procedures, and systems to assess, monitor and manage the Company's assets, liabilities, revenues, and expenses. In addition, the Committee will review and discuss the appropriateness and timeliness of the disposition of any recommendations for improvements in the Company's internal control over financial reporting and disclosure.
- Obtain and review reports of the external auditor on significant findings and recommendations on the Company's internal controls, together with management's responses.
- Periodically discuss with management, the Company's policies regarding financial risk assessment and financial risk management. While it is the responsibility of management to assess and manage the Company's exposure to financial risk, the Company will discuss and review guidelines and policies that govern the process. The discussion may include the Company's financial risk exposures and the steps management has taken to monitor and control such exposures.

#### *External Auditor*

- Receive reports directly from and oversee the external auditor.
- Discuss with representatives of the external auditor plans for their quarterly reviews (where applicable) and annual audit, including adequacy of staff and their proposed fees and expenses. The Committee will have separate discussions with the external auditor, without management present, on:
  - the results of their annual audit and quarterly review (where applicable);
  - any difficulties encountered in the course of their work, including restrictions on the scope of activities or access to information;
  - management's response to audit or quarterly review (where applicable) issues; and
  - any disagreements with management.
- Pre-approve all audit and allowable non-audit fees and services to be provided by the external auditor in accordance with securities laws and regulations and the Company's policies and procedures pertaining to the pre-approval and reporting of such services.
- Recommend to the Board that it recommends to shareholders of the Company the appointment and termination of the external auditor.
- Approve the external auditor's compensation.
- Receive reports in respect of the quarterly review (where applicable) and audit work of the external auditor and, where applicable, oversee the resolution of any disagreements between management and the external auditor.

- Establish and maintain direct communication channels between the Committee and the external auditor of the Company to discuss and review specific issues, as appropriate.
- Meet separately, on a regular basis, with management and the external auditor (where quarterly reviews are performed) to discuss any issues or concerns warranting the attention of the Committee. As part of this process, the Committee shall provide sufficient opportunity for the external auditor to meet privately with the Committee.
- Obtain and review, at least annually, a report from the external auditor describing:
  - i. any sanctions made by any government or professional authorities, respecting independent audits carried out by the external auditor, and any steps taken to deal with any such issues; and
  - ii. all relationships between the external auditor and the Company in order to assess external auditor independence and receive a letter each year from the external auditor confirming its continued independence.
- Allow the external auditor of the Company to attend and be heard at any meeting of the Committee.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor to ensure compliance with NI 52-110.
- At least annually, evaluate the external auditor's qualifications, performance and independence, including that of the external auditor's lead partner, and report the results of such review to the Board; and
- At least every five years, conduct a more comprehensive review of the external auditor's performance and report the results of such a review to the Board.

#### *Whistleblower*

- Review procedures established with respect to employees and third parties for:
  - i. the receipt, retention and treatment of complaints received by the Company, confidentially and anonymously, regarding accounting, financial reporting and disclosure controls, procedures, or auditing matters; and
  - ii. dealing with reporting, handling and taking of remedial action with respect to alleged violations of accounting, financial reporting and disclosure controls and procedures, or auditing matters, as well as certain other alleged illegal or unethical behaviour, in accordance with the Company's related policies and procedures.

#### *Compliance*

- Review disclosure made by the Company's CEO and CFO, or senior financial officer, regarding compliance with their certification obligations as required by the regulators.
- Review the Company's CEO and CFO's, or senior financial officer's, quarterly and annual assessments of the design and operating effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting, respectively.
- Review the findings of any examination by regulatory agencies and any auditor observations.
- Receive reports, if any, from management and corporate legal counsel of evidence of material violation of securities laws or breaches of fiduciary duty.

### *Reporting Responsibilities*

- Regularly report to the Board on Committee activities, issues and related recommendations.
- Annually report to the shareholders, the Committee's composition, responsibilities and describe how they are discharged, and any other information required by legislation.

### **7. Other Responsibilities**

In addition to the responsibilities mentioned previously, the Committee can also be responsible to:

- i. Perform any other related activities as requested by the Board;
- ii. Review and assess the adequacy of the Committee mandate annually, requesting Board approval for proposed changes; and
- iii. Institute and oversee special investigations, as needed.