



## WEST VAULT MINING INC.

### AUDIT COMMITTEE CHARTER

#### **1. General**

The Board of Directors (the “**Board**”) of West Vault Mining Inc. (the “**Company**”) has established an Audit Committee (the “**Committee**”) to assist the Board in fulfilling its oversight responsibilities. The Committee shall review and oversee the financial reporting and accounting process of the Company, the system of internal control and management of financial risks, the external audit process, and the Company’s process for monitoring its own Code of Business Conduct and Ethics. In performing its duties, the Committee shall maintain effective working relationships with the Board, management, and the independent auditors, and monitor the independence of those auditors. To perform their role effectively, each Committee member shall obtain an understanding of the responsibilities of Committee membership as well as the Company’s business, operations and risks.

The Company’s independent auditor is ultimately accountable to the shareholders. The Board and Committee, as representatives of the Company’s shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor and, where appropriate, to replace the independent auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Company’s independent auditors, Board, and Company management.

#### **2. Members**

The Board shall in each year appoint a minimum of three (3) directors as members of the Committee. All of the members of the Committee shall be non-management directors and the majority shall be independent within the meaning of all applicable Canadian securities laws and the rules of the TSX Venture Exchange (the “**Applicable Regulations**”), unless otherwise exempt from such requirements under Applicable Regulations.

None of the members of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

All members of the Committee shall be able to read and understand the Company’s financial statements and must be financially literate within the meaning of applicable Canadian securities laws or become financially literate within a reasonable period of time following his or her appointment. Additionally, at least one member of the Committee shall be financially sophisticated and shall have 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, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

### **3. Duties**

The Committee shall have the following duties:

- 3.1. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 3.2. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 3.3. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 3.4. Review any legal matters which could significantly impact the financial statements as identified by the Company's management or counsel, and engage outside independent counsel and other advisors whenever deemed necessary by the Committee to carry out its duties.
- 3.5. Review the Company's annual and quarterly financial statements, including Management's Discussion and Analysis, and any annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the independent auditors and determine whether they are complete and consistent with the information known to Committee members.
- 3.6. Determine that the auditors are satisfied that the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board .
- 3.7. Pay particular attention to complex and/or unusual transactions, if any, such as those involving derivative instruments, and consider the adequacy of disclosure thereof.
- 3.8. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- 3.9. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 3.10. Meet with management and the independent auditors to review the annual financial statements and the results of the audit.
- 3.11. Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (b) IFRS has been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices; or

- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 3.12. Review the independent auditor's proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 3.13. Recommend to the Board an independent auditor to be nominated for appointment by the Company's shareholders. Subject to the appointment of the Company's independent auditor by the Company's shareholders, the Committee shall be directly responsible for the appointment, compensation, retention, and oversight of the work of independent auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company, including the resolution of disagreements between management and the independent auditor regarding financial reporting. The Company's independent auditor shall report directly to the Committee.
- 3.14. Review with the Company's management, on a regular basis, the performance of the independent auditors, the terms of the independent auditor's engagement, accountability and experience.
- 3.15. Pre-approve all non-audit services and tax services to be provided to the Company or its subsidiary entities by the independent auditor or other registered accounting firm.
- 3.16. Consider at least annually the independence of the independent auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Company, including:
  - (a) ensuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - (b) considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - (c) as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- 3.17. Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure contained in the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases (if any); and periodically assess the adequacy of those procedures.
- 3.18. Review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements.
- 3.19. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Company.
- 3.20. Establish a Whistleblower Policy for:

- (a) facilitating confidential, anonymous submissions by employees or other stakeholders of the Company of concerns regarding questionable accounting or auditing matters; and
- (b) the receipt, retention, and treatment of complaints or concerns received by the Company regarding accounting, internal accounting controls, or auditing matters.

3.21. Meet separately with the independent auditors to discuss any matters that the committee or auditors believe should be discussed privately and in the absence of management.

3.22. Cause the receipt and discussion with the Board and management on a timely basis of any significant findings and recommendations made by the independent auditors.

3.23. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

3.24. Review and oversee all related party transactions within the meaning of the Applicable Regulations.

3.25. Perform other functions as requested by the Board.

3.26. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

3.27. Review and re-assess annually the adequacy of this Charter and recommend to the Board updates to this charter; to receive approval from the Board for changes to this Charter.

3.28. With regard to the Company's internal control procedures, the Committee is responsible to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact the financial integrity of the Company, including those related to internal auditing, insurance, accounting, information services and systems, and financial controls, management reporting, and risk management;
- (b) periodically review compliance under the Company's Code of Business Conduct and Ethics and recommend to the Board such changes that the Committee deems appropriate;
- (c) review any unresolved issues between management and the independent auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the effectiveness of the Company's internal controls over financial reporting and auditing procedures and the extent to which recommendations made by the internal audit staff or by the independent auditors have been implemented.

#### **4. Chair**

The Board shall in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select a member as Chair. The Chair shall not have a casting vote.

## **5. Meetings**

The Committee shall meet at least once every calendar quarter. Special meetings shall be convened as required for the Committee to perform its duties. Notices calling meetings shall be sent to all members of the Committee, all Board members, and the independent auditor, when deemed appropriate. The independent auditor of the Company shall be given reasonable notice of, and shall have the right to appear before and to be heard at each meeting of the Committee. At the request of the independent auditor, the Committee shall convene a meeting of the Committee to consider any matter that the independent auditor believes should be brought to the attention of the Board or shareholders of the Company.

The Committee may invite such other persons (including, without limitation, the Chief Executive Officer, the President, or Chief Financial Officer) to its meetings, as it deems necessary for the performance of its duties.

## **6. Quorum**

A majority of members of the Committee, either present in person, by teleconferencing, by videoconferencing, or by any combination of the foregoing, shall constitute a quorum.

## **7. Removal and Vacancy**

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and shall automatically cease to be a member as soon as the member ceases to be a director of the Company. The Board shall fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members shall exercise all of the Committee's powers.

## **8. Authority**

The Committee may:

- 8.1. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- 8.2. set and pay the compensation for any advisors employed by the Committee; and
- 8.3. communicate directly with the internal and independent auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of the Company's officers at meetings.

## **9. Secretary and Minutes**

The Chair of the Committee shall appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and, once reviewed and approved by the Committee, entered into the books of the Company, and shall be circulated to all members of the Board.

**10. Funding**

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.