



## **Audit Committee Charter**

### **A. OVERVIEW AND PURPOSE**

The Audit Committee of New Carolin Gold Corp. (the "Company") has been formed to enable the Board of Directors of the Company (the "Board") to perform its obligations with respect to compliance with applicable securities laws and regulation and the rules and policies of the TSX Venture Exchange Inc. (the "TSXV").

The Audit Committee is responsible to the Board. The primary objective of the Audit Committee is to assist the Board in fulfilling its responsibilities with respect to:

- a. disclosure of financial and related information;
- b. the relationship with and expectations of the external auditors of the Company, including the establishment of the independence of the external auditors;
- c. its relationship with and expectations of the internal auditors' function (as applicable);
- d. the oversight of internal control; and
- e. any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

### **B. ORGANIZATION**

## **1. Size and Membership Criteria**

The Audit Committee will consist of three directors of the Company. A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding shares of the Company or other securities which are exchangeable into shares of the Company, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

All members of the Audit Committee should be financially literate and able to read and understand basic financial statements. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

## **2. Appointment and Vacancies**

The members of the Audit Committee are appointed or reappointed by the Board following each annual meeting of the shareholders of the Company. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board or ceases to be a director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board and will be filled by the Board if the membership of the Audit Committee is less than four directors as a result of any such vacancy.

## **C. MEETINGS**

### **0. Frequency**

The Audit Committee will meet as frequently as required. In addition, the Audit Committee may also meet at least quarterly with management, the internal auditors (as applicable) and the external auditors of the Company in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

### **1. Chair**

The Board or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chairman from amongst their number. If the Chairman of the Audit Committee is not present at any meeting of the Audit Committee, the Chairman of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a director of the Company.

### **2. Time and Place of Meetings**

The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

- a. a quorum for meetings of the Audit Committee will be three members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- b. notice of the time and place of every meeting will be given in writing, by facsimile or by electronic means to each member of the Audit Committee, the internal auditors (as applicable), the external auditors and the Corporate Secretary of the Company at least 48 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (an attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

The external auditors will be entitled to attend each meeting of the Audit Committee at the expense of the Company.

A meeting of the Audit Committee may be called by the Corporate Secretary of the Company on the direction of the Chairman or Chief Executive Officer of the Company, by any member of the Audit Committee, the external auditors or the internal auditors (as applicable). Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of any meeting of the Audit Committee.

### **3. Agenda**

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors, internal auditors (as applicable) and Corporate Secretary of the Company in advance of the meeting of the Audit Committee and not later than two business days prior to each meeting.

### **4. Resources**

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee. The Audit Committee may request any officer or employee of the Company or its subsidiaries or the legal counsel to the Company or the external auditors of the Company to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

## **D. DUTIES AND RESPONSIBILITIES**

The Board has delegated the following duties and responsibilities to the Audit Committee, and the Audit Committee will have the sole authority and responsibility to carry out these duties and responsibilities.

### **0. Financial Statements and Related Information**

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of the Company the following financial statements and related information:

- a. annual audited financial statements of the Company, including notes;
- b. interim financial statements of the Company, including notes;
- c. management discussion and analysis relating to each of the annual audited financial statements and the interim financial statements of the Company;
- d. news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of the Company, including the use of non-GAAP earnings measures;
- e. all financial-related disclosure to be included in or incorporated by reference into any prospectus that may be prepared by the Company; and
- f. annual report, annual information form and management information or proxy circular.

As part of this review process, the Audit Committee should meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the financial disclosure and related documents.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board, if appropriate, that such documents be approved by the Board and filed with all applicable securities regulatory bodies and/or be sent to shareholders of the Company. If the Company lists its securities on a stock exchange in a jurisdiction other than Canada, the Audit Committee should review the equivalent applicable documentation and procedures.

### **1. Appointment of External Auditors**

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of the Company (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing its audit report or related work.

The Audit Committee has the sole authority to review in advance and grant any appropriate approvals of all auditing services to be provided by the external auditors of the Company and any non-audit services to be provided by the external auditors of the Company as permitted by applicable securities laws and regulation and the rules and policies of the TSXV.

The Audit Committee will review on an annual basis the performance of the external auditors of the Company. The Audit Committee will discuss with the external auditors any disclosed relationships or services that the external auditors propose to provide to the Company or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

On an annual basis, the Audit Committee will obtain and review an annual report from the external auditors describing the external auditors' internal

quality control procedures and any material issues raised by the most recent internal quality control review or peer review of the external auditors, 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 external auditors and any steps taken to deal with any such issues. In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of the Company for the coming financial year.

The Audit Committee will review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- iii. such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee. Provided that the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

## **2. Internal Audit Function**

The Audit Committee is responsible for reviewing with management of the Company the following:

- . plans regarding any changes in accounting practices or policies and the financial impact thereof;
- a. areas of management judgment and estimates that have a significant effect on the financial statements of the Company and its subsidiaries;
- b. any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company and its subsidiaries which would have a material current or future effect on the financial condition of the Company;
- c. major risk exposures facing the Company and the steps that management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies; and
- d. any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and its subsidiaries and the manner in which these matters have been disclosed in the financial statements.

## **3. Internal Controls and Procedures**

In consultation with the external auditors, the Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee will 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;

- a. the attestation and report by the external auditors of the Company on the assessment made by management;
- b. any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- c. the certification process; and
- d. approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

The Audit Committee will establish procedures for:

- e. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- f. the receipt, retention and treatment of complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

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