



## **CHARTER OF THE AUDIT COMMITTEE**

### **PURPOSE**

The Audit Committee (the “Audit Committee”) of Lomiko Metals Inc. (“LMR” or the “Corporation”) is a committee of directors appointed by the Board of Directors of LMR (the “Board”). The Audit Committee’s mandate is to assist the Board in fulfilling its financial reporting and control duties, overseeing the external auditor’s qualifications, independence and work, and supervising the Corporation’s internal controls over financial reporting and compliance with standards adopted by the Corporation. The Audit Committee is, however, independent of the Board and the Corporation and shall determine its own agenda and activities.

### **MEETINGS AND REPORTING**

The Audit Committee shall report to the Board of Directors at least on a quarterly basis and as appropriate. The Audit Committee chairperson (the “Committee Chair”) will approve the agenda for the Audit Committee’s meetings and any member may suggest items for consideration. Briefing materials will be provided to the Audit Committee as far in advance of meetings as practicable.

### **COMPOSITION**

The Audit Committee will be comprised of at least three directors of the Corporation, who are appointed by and serve at the discretion of the Board (and may be replaced). The Board may appoint a member to fill a vacancy that occurs in the Audit Committee between annual elections of directors. Any member of the Audit Committee may be removed from the Audit Committee by a resolution of the Board. Unless the Committee Chair is appointed by the Board, the members of the Audit Committee may designate a Committee Chair by a majority vote of the members of the Audit Committee.

The majority of the members of the Audit Committee, subject to any exemptions set out in Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”), will be independent and financially literate. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of MI 52-110. A “financially literate” director is a director who has the ability to read and understand 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 financial statements of the Corporation.

The Audit Committee will provide its members with annual continuing education opportunities in financial reporting and other areas relevant to the Audit Committee.

## **RESPONSIBILITIES**

Responsibilities of the Audit Committee include, but are not limited to, the undertaking of the following tasks:

1. Recommending to the Board the nomination of the external auditors for shareholders' approval and the compensation of the external auditors for the purpose of preparing and issuing an auditor's report or performing other audit, review or attest services for the Corporation. In making such recommendation and determination, the Audit Committee will: confirm the independence of the auditors and report to the Board its conclusions on the independence of the auditors and the basis for these conclusions; meet with the auditors and the Corporation's financial management to review the scope of the proposed audit and the audit procedures to be used; and obtain from the external auditors confirmation that they are participants in good standing in the Canadian Public Accountability Board oversight program and, if applicable, in compliance with the provisions of the Sarbanes-Oxley Act of 2002 (U.S.) and other legal or regulatory requirements with respect to the audit of the financial statements of the Corporation.
2. Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, reviews, or attestation services for the Corporation. In overseeing such work, the Audit Committee will:
  - (a) review with the external auditors any issues raised in the audit and management's response; at least annually obtain and review a report prepared by the external auditors describing (i) the auditors' internal audit procedures; and (ii) any material issues raised by any review of the auditors, and reviewing any steps taken to deal with such issues; monitor the Corporation's financial reporting process and internal control system and oversee management's reporting on internal control;
  - (b) communicate with the external auditors, the Corporation's management, and the Board for financial reporting and control matters;
  - (c) inquire and be informed of the identity and scope of any significant business, political, taxation, trade, financial and control risks and exposures and assess the steps management has taken to mitigate such risks;
  - (d) meet with the external auditors on a regular basis in the absence of management;
  - (e) ensure that the external auditors prepare and deliver annually a detailed report covering (i) critical accounting policies and practices to be used; (ii) material financial information that has been discussed with management; (iii) other material communications between the external auditors and management such as any management letter or schedule of unadjusted differences; and (iv) such other aspects as may be required by the Audit Committee or legal or regulatory requirements;

- (f) consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the external auditors, including reports and communications related to:
    - deficiencies noted following the audit of the design and operation of internal controls;
    - consideration of fraud in the audit of the financial statement;
    - detection of illegal acts;
    - the external auditors' responsibility under generally accepted auditing standards;
    - significant accounting policies;
    - management judgments and accounting estimates;
    - adjustments arising from the audit;
    - the responsibility of the external auditors for other information in documents containing audited financial statements;
    - disagreements with management;
    - consultation by management with other accountants;
    - major issues discussed with management prior to retention of the external auditors;
    - difficulties encountered with management in performing the audit;
    - the external auditors' judgments about the quality of the entity's accounting principles; and
    - any reviews of unaudited interim financial information conducted by the external auditors;
  - (g) review the form of opinion the external auditors propose to render to the Audit Committee, the Board and shareholders;
  - (h) discuss significant changes to the Corporation's auditing and accounting principles, policies, controls, procedures and practices proposed or contemplated by the external auditors or management, and the financial impact thereof.
3. Pre-approving all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor, subject to any exemptions set out in MI 52-110. Notwithstanding the pre-approval process, the Audit Committee will ensure that the external auditors are prohibited from providing the following non-audit services and will determine which other non-audit services the external auditors are prohibited from providing:
- (a) bookkeeping or other services related to the accounting records or financial statements of the Corporation;

- (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions or human resources;
  - (g) broker, dealer, investment adviser or investment banking services;
  - (h) legal services; and
  - (i) any other service that the Audit Committee determines to be impermissible.
4. Ensuring that the external auditors submit annually to the Corporation and the Audit Committee, a formal written statement of the fees billed for each of the following categories of services rendered by the external auditors: (i) the audit of the Corporation's annual financial statements for the most recent fiscal year and, if applicable, the reviews of the financial statements included in the Corporation's Quarterly Reports for that fiscal year; and (ii) all other services rendered by the external auditors for the most recent fiscal year, in the aggregate and by each service.
5. Reviewing the Corporation's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases before the Corporation publicly discloses the information. In connection with such review, the Audit Committee will ensure that:
- (a) management has reviewed the financial statements with the Audit Committee, including significant judgments affecting the financial statements;
  - (b) the members of the Audit Committee have discussed among themselves, without management or the external auditors present, the information disclosed to the Audit Committee; and
  - (c) the Audit Committee has received the assurance of both the Corporation's management and the external auditors that the Corporation's financial statements are fairly presented in conformity with International Financial Reporting Standards ("IFRS") and Canadian GAAP in all material respects.
6. Reviewing any other reports and communications relating to financial, audit and reporting information submitted by the Corporation to any governmental body or the public.
7. Ensuring that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures.

8. Reviewing and discussing with the internal auditor (if any), report and, where appropriate, provide recommendations to the Board on (i) the appointment and mandate of an internal auditor, including its responsibilities, budget and staffing; (ii) the performance of the internal auditor, including a review of the annual internal audit plan, and whether there are any restrictions or limitations on the internal auditor; (iii) obtain periodic reports from the internal auditor regarding internal audit findings, including with respect to the Corporation's internal controls and the Corporation's progress in remedying any material control deficiencies.
9. Meeting periodically with the internal auditor (if any) in the absence of management.
10. Reviewing the adequacy of the resources of the finance and accounting group, along with its development and succession plans.
11. Establishing procedures for: the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
12. Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
13. Annually reviewing and revising this Charter as necessary with the approval of the Board and the text relating to this Charter, which is required to appear in the Annual Information Form of the Corporation, as more specifically set out in Form 52-110F1 *Audit Committee Information Required in an AIF*.
14. Reviewing and assessing the adequacy of the Code of Business Conduct and Ethics governing the officers, directors and employees of the Corporation, and its underlying policies, including the Timely Disclosure, Confidentiality and Insider Trading Policy, at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board.
15. Review, report and make recommendations to the Board with respect to any breach of the policies with respect to business conduct and ethics, including pursuant to the Code of Business Conduct and Ethics and the Whistle Blowing Policy, and review investigations and any resolutions of complaints received under such policies.
16. Reporting its activities to the Board on a regular basis and making such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
17. Reviewing and discussing with management and approving all related party transactions.

#### **AUTHORITY**

The Audit Committee has the authority to:

1. Conduct investigations into any matters within the scope of its mandate;
2. Meet with and seek any information it requires from employees, officers, directors, or external parties;
3. Engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
4. Set and pay the compensation for any advisors employed by the Audit Committee, in accordance with applicable corporate statutes; and
5. Communicate directly with the external auditors.

### **COMMITTEE CHAIR POSITION DESCRIPTION**

The Board shall appoint the Committee Chair.

The Committee Chair leads the Audit Committee in all aspects of its work and is responsible for effectively managing the affairs of the Audit Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Committee Chair responsibilities include, but are not limited to:

1. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate.
2. In consultation with the Chair of the Board, the Lead Independent Director (if any) and the Chief Executive Officer (“CEO”), ensure that there is an effective relationship between management and the members of the Audit Committee.
3. In consultation with the Chair of the Board, the Lead Independent Director (if any), the CEO and the Chief Financial Officer (“CFO”) and Corporate Secretary, determine the frequency, dates and locations of meetings of the Audit Committee.
4. In consultation with the CEO and the CFO, as applicable, review the annual work plan and review and approve the meeting agendas to ensure that all required business, supporting documentation and all items requiring the Audit Committee’s approval are brought before the Audit Committee, with sufficient time for study by the Audit Committee members prior to the meeting.
5. Ensure that the members of the Audit Committee understand and discharge their duties and obligations.
6. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee.

7. Establish and implement an orientation and education program for new Audit Committee members and a continuing education program for all members on applicable financial, accounting, auditing and industry issues; and periodically review these programs and update them as necessary.
8. Carry out any special assignments or any functions as requested by the Board.

### **MEETINGS**

The Audit Committee will meet regularly and whenever necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Audit Committee, upon 24 hours prior notice, and by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. The notice period may be waived by a quorum of the Audit Committee.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.

The Audit Committee may delegate authority to individual members and subcommittees of its members where the Committee determines it is appropriate to do so.

At the discretion of the Audit Committee, meetings may be held with representatives of the external auditors and appropriate members of management.

The external auditors will have direct access to the Audit Committee at their own initiative. The Chair of the Audit Committee will report periodically to the Board.

### **INDEPENDENT ADVICE**

In discharging its mandate, the Audit Committee shall have the authority to request the Board for the authority to retain (and authorize the payment by the Company of) and receive advice from special legal or other advisors to carry out its duties.

### **ANNUAL EVALUATION**

The Audit Committee shall, in a manner it determines to be appropriate:

- Conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- Review and assess the adequacy of its Charter and the position description for its Chair and recommend to the Board of Directors any improvements to this Charter or the position description that the Committee determines to be appropriate.

Approved by the Board of Directors of Lomiko Metals Inc. on February 4, 2022.

