



Audit Committee Charter

Approved March 24, 2022

PURPOSE OF THE AUDIT COMMITTEE

The purpose of the Audit Committee is to fulfill all applicable public company audit committee legal and regulatory requirements and to provide assistance to the Board of Directors (the “**Board**”) to enable it to fulfill its oversight responsibilities in relation to the financial reporting process, the system of internal controls and the audit process and management of significant risks to Giyani Metals Corp. (the “**Company**”), as they relate to financial reporting.

Audit Committee Mandate

The Audit Committee (the “**Committee**”) is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board.

The Committee's mandate is to ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives the Audit Committee oversees relations with the external auditors, and reviews the effectiveness of the internal audit function, to the extent the Company maintains an internal audit function.

The Committee will review and reassess the adequacy of this Audit Committee Charter on an annual basis to ensure that it accurately specifies the scope of the Committee's responsibilities and adequately sets out how it carries out those responsibilities. The Committee shall submit the Charter to the Board for approval and ensure that it is in compliance with the TSX Venture Exchange and BCSC regulations.

STRUCTURE OF THE COMMITTEE

Composition

The Committee is a standing committee of the Board and will be composed of not less than three directors, with not more than one Director being a Corporate Officer, related party or employee of the Company.

Quorum

A quorum of the Committee will be a majority of members present in person, by telephone or any combination thereof.

Appointment of Members and Chair

Members of the Committee shall be appointed by the Board annually on the recommendation of the Corporate Governance & Nominating Committee to hold office at the pleasure of the Board. For the purposes of continuity the intention is for no more that two members of the Committee to change from any one year to the next, unless a material event has occurred.

Chair

The Board shall appoint one of the members as the Committee Chair. In the absence of the Chair from any meeting, the Committee shall appoint a member to be the Chair for the purposes of the conduct of that meeting.

✉ info@giyanimetals.com

🌐 giyanimetals.com

Responsibilities of the Chair

To carry out its oversight responsibilities the Chair of the Committee shall have the following responsibilities and duties:

- a) Provide leadership to the Committee with respect to its functions as described in the Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee.
- b) Chair meetings of the Committee.
- c) In consultation with the Board Chair and Corporate Secretary, determine the frequency, dates of the meetings of the Committee.
- d) In consultation with the officers of the Company, including the CEO, CFO and others as required, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee.
- e) In consultation with the Board Chair, ensure that all items requiring the Committee's approval are appropriately tabled.
- f) Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- g) Carry out any other or special assignments or any function as may be requested by the Board.

Qualification of Members

Members of the Committee shall meet applicable requirements and guidelines for audit committee service, including requirements and guidelines with respect to being independent and unrelated to the Company and to having accounting or related financial management expertise and financial literacy.

The determination as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the full Board.

Vacancy

A vacancy occurring in the membership of the Committee may be filled by the Board at its discretion, but in any event, the Board shall fill any vacancy to ensure a minimum of three members on the Committee at all times.

RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

Compliance

The Committee is ultimately responsible for ensuring the Company's compliance with legal and regulatory requirements in respect to financial reporting and disclosure.

The Committee, on behalf of the Board, is responsible for monitoring management's actions in this regard to ensure that the Company has implemented appropriate systems to identify and monitor the response by Management and the Board to such issues as:

- a) Significant business risks.
- b) Legal, ethical and regulatory compliance.

- c) Internal systems of control and the effectiveness of such internal controls to ensure compliance with policies and procedures.

Meetings

Preparing minutes of all of its meetings and submitting same to the Board for approval and having the Chair of the Committee report to the Board on all significant issues addressed at the Committee meeting.

Reviewing the interim and annual financial statements as well as the Company's financial disclosures and related party transactions.

Internal Controls

The Committee is responsible for maintaining the integrity and quality of the Company's financial reporting and systems of internal control by overseeing management's system of internal control and reporting process in respect to those controls. In carrying out this duty, the Committee shall:

- a) satisfy itself 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 and periodically assess the adequacy of those procedures; and
- b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

External Auditors

The external auditors are accountable to the Board and the Committee as representatives of the shareholders and, as such, shall report directly to the Committee.

The Committee is responsible for the following functions in relation to the external audit function:

- a) Reviewing and ensuring the qualifications and independence of the Company's external auditors.
- b) Making recommendations to the Board in respect of appointment or re-appointment of external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and making recommendations to the Board on the compensation for the external auditor.
- c) Overseeing and evaluating the performance of the external auditors.
- d) Reviewing the annual audit plan prepared by outside auditors and management (CFO and CEO) in addition to proposed audit fees.
- e) Reviewing the external audit process and determining whether it has been effectively carried out and whether any matters that the external auditors wish to bring to the attention of the Board have been afforded adequate attention, including the resolution of any disagreements between management and the external auditors regarding financial reporting
- f) Assessing the external audit function with a view to whether external auditors should be appointed or re-appointed. Such responsibility of the Committee shall include the appointment, retention, termination, compensation and oversight of the external audit function.

- g) Pre-approving all auditing services and non-audit services to be performed for the Company by the external auditors.
- h) Meeting separately with internal audit (to the extent the Company maintains an internal audit function), external audit and management at least once annually to assess issues and make determinations on whether issues need to be taken to the Board for review and assessment.
- i) Evaluating independence of the external auditor in accordance with Canadian professional requirements and determining whether disclosed relationships or services may impact the objectivity and independence of the auditors and whether such independence has been documented in written correspondence to the Committee.
- j) Evaluating the external audit process and determining whether the external audit has been completed in accordance with applicable law.

Financial Reporting

- a) Reviewing annual and interim financial statements of the Company.
- b) Reviewing changes in significant accounting policies and evaluating the impact of such changes on the current and future financial statements of the Company.
- c) Preparing, if required, a Committee report for inclusion in the Company's annual management proxy circular in accordance with applicable rules and regulations.
- d) Ensuring the effectiveness of disclosure controls and procedures to ensure material information potentially requiring public disclosure is made known in a timely fashion to senior officers of the Company.
- e) Being satisfied 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 and periodically assessing the adequacy of those procedures.
- f) Reviewing and recommending to the Board for approval the public release and filing of any annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Company, including news releases and management's discussion and analysis (MD&A).
- g) Reviewing the information contained in the Company's quarterly reports, annual report to shareholders, MD&A, Annual Information Form (AIF), prospectuses and other disclosures determining if such information is complete and fairly presented.
- h) Reviewing material litigation and tax assessments in order to determine if any such matters may have a material impact on the financial position of the Company.
- i) Considering the Company's annual financial statements and ascertaining after a review with external auditors and management whether they are presented fairly in all material respects in accordance with generally accepted accounting principles, whether the selection of accounting policies is appropriate and whether the annual financial statements are recommended to the Board.
- j) Reviewing financial summaries and disclosures made in accordance with the Corporation's Extractive Sector Transparency Measures Act ("ESTMA"), including but not limited to attestation reports made by a Director or Officer of the Company that the information in the ESTMA report is true, accurate and complete in all material respects and that reasonable diligence has been exercised.

Other Responsibilities

In addition to the responsibilities and duties of the Committee stated above, the Committee shall attend to the following items:

- a) Review the Company's hiring policies regarding employees and former employees of the present and former external auditors of the Company.
- b) Review business practices undertaken by senior management to assess appropriateness with corporate policies.
- c) Establish procedures for i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- d) Engage and pay independent counsel and other special advisors as it deems necessary from time to time in order to carry out Committee duties.
- e) Investigate any activity of the Company as it deems appropriate. All employees of the Company are required to cooperate with the efforts or enquiries of the Committee.
- f) Retain persons having special expertise to assist it in the performance of its duties.
- g) Communicate with the Board to ensure sufficient funding for the Committee to permit it to fulfill its responsibilities.
- h) Make provision for confidential, anonymous submission by employees of the Company of concerns regarding accounting, internal accounting controls or auditing matters, ensuring that the existing processes adequately provide for such submission and establishing a process whereby the external auditor will receive timely notice of any such submission.
- i) Review at least annually the risk management and insurance programs
- j) Review any issues referred to the Committee by the Board.

Reviewing Terms of Reference and Committee's Performance

The Committee should routinely assess its effectiveness against the mandate and shall report regularly to the Corporate Governance & Nominating Committee and Board on that assessment.

Reviewing Reports to Shareholders

When required by applicable statute or regulation, the Committee shall prepare reports to shareholders regarding the activities undertaken in the discharge of its responsibilities. A report will be prepared by the Committee for inclusion in the annual report as required.

MEETINGS AND OPERATING PROCEDURES

The Committee meets at least four times a year, with meetings being scheduled to permit timely review of quarterly and annual financial statements. Additional meetings may be held at the discretion of the Chair or at the request of a member, external auditors or management. The following are the operating procedures for the Committee:

- a) In the absence of the Chair of the Committee, the members shall appoint an acting Chair.

- b) The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- c) Notice of time and place of meetings shall be communicated to members of the Committee no less than 24 hours prior to the time set for the meeting, provided that any member may waive such notice.
- d) A member of the Committee who attends a meeting for the purpose of objecting to whether the meeting was lawfully called shall not be considered to have waived required notice.
- e) A secretary shall be designated and that person shall act as recording secretary for the Committee and produce minutes of the meetings.
- f) A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Company in a timely fashion. Subject to statutory requirements and by-laws of the Company, the Committee may set its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee considers it appropriate, but in any event not later than the next Board meeting. Minutes of the Committee meeting shall be tabled at the next Board meeting.
- g) The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
- h) The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
- i) The Committee should meet privately in executive session at least quarterly with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
- j) By invitation of the Chair, individuals who are not members of the Committee may attend meetings from time to time and may participate in discussions related to issues before the Committee.
- k) The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- l) The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

Delegation of Responsibilities

The Committee may delegate to any person or committee of persons any of the Committee's responsibilities that may be lawfully delegated.

Authority of the Committee

The Committee shall have the authority to engage in independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by the Committee. The Committee shall also have the authority to communicate directly with the external auditors.

The procedures set forth herein have been set out as guidelines only as opposed to inflexible rules and the Committee may alter these procedures as it deems necessary in order to perform its responsibilities.