

## **ORVANA MINERALS CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **Membership**

The Audit Committee of the Board of Directors (the “Board”) of Orvana Minerals Corp. (the “Corporation”) shall consist of such number of members (at least three) as are appointed from time to time by the Board. Unless otherwise determined by the Board and permitted by Multilateral Instrument 52-110 – *Audit Committees* (“MI 52-110”), the Audit Committee shall be composed solely of directors who have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such director’s independent judgement, and are otherwise independent as determined in accordance with MI 52-110. In addition, a majority of the members shall be resident Canadians.

Unless otherwise determined by the Board and permitted by MI 52-110, all members of the Committee shall be financially literate, meaning they shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues generally comparable to the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

The Board shall appoint the Chair of the Committee.

The Board may, by resolution, at any time remove any member of the Committee, with or without cause, or add to or otherwise change the membership of the Committee. Committee membership shall not, however, be reduced to less than three or vary from the qualification requirements specified above. A member of the Committee shall cease to be a member upon ceasing to be a director.

#### **Duties and Responsibilities**

The Committee shall have all the powers and duties conferred on it by the laws governing the Corporation and such other powers and duties as may be conferred on it from time to time by resolution of the Board. In addition to the foregoing powers and duties, the Committee shall have the following duties and responsibilities:

- 1) To review, prior to approval thereof by the Board and public disclosure thereof, all financial statements of the Corporation, whether annual or periodic, and the external auditor’s report, if any, thereon and any annual or interim MD&A (a) prepared for submission to a meeting of the directors of the Corporation, (b) which may be required by applicable law to be reviewed by the Committee or (c) which the Board may by resolution determine shall be so reviewed, and to report to the Board:
  - (i) if the same have been prepared in accordance with the laws to which the Corporation is subject and the policies from time to time adopted by the Board;
  - (ii) any significant changes in the form or content of such statements from the corresponding statements most recently approved by the Board and the reason(s) therefore, together with any intervening developments in relevant accounting principles, policies and practices which have been taken into

account in preparing such financial statements or which, in the opinion of the Committee or the external auditor of the Corporation, might have been taken into account for that purpose; and

- (iii) where deemed to be appropriate, the report of the external auditor as to form and content of such statements and as to the level of co-operation of management received by the external auditor in the conduct of the audit.
- 2) To review all annual or periodic earnings press releases of the Corporation prior to public disclosure by the Corporation.
  - 3) To satisfy itself that adequate procedures are in place for the review of public disclosure of any financial information of the Corporation other than information listed in (1) and (2) above and to periodically assess such procedures.
  - 4) To review all financial statements of the Corporation, whether annual or periodic, appearing in a prospectus.
  - 5) To review such returns of the Corporation as may be required by any regulatory authority and the compliance of any subsidiary of the Corporation with all applicable laws, regulations and standards.
  - 6) To review estimates and judgments that are material to reported financial information, and consider the quality and acceptability of the Corporation's accounting policies and procedures and the clarity of disclosure in financial statements.
  - 7) To review such investments and transactions that could adversely affect the well-being of the Corporation as the external auditor or any officers of the Corporation may bring to the attention of the Committee.
  - 8) To receive reports on the periodic findings of any regulatory authority and management's response and observations thereon.
  - 9) To meet with the external auditor to discuss the quarterly and annual statements and the transactions referred to in this Charter.
  - 10) To review the audit plan, including such factors as the integration of the external auditor's plan for procedures performed in Canada and elsewhere and whether the nature and scope of the planned audit procedures can be expected to detect material weaknesses in internal controls and determine if financial statements present fairly and accurately the Corporation's financial position in accordance with generally accepted accounting principles.
  - 11) To identify the risks inherent in the business of the Corporation and to review and approve management's risk philosophy and risk management policies necessary to address as much as reasonably possible those identified risks.
  - 12) To review periodically, but at least annually, management reports demonstrating compliance with risk management policies and confirm annually that management has taken reasonable steps to ensure compliance with standards.

- 13) To review and recommend to the Board the appointment of an external auditor and the compensation of such external auditor.
- 14) To review and evaluate the performance of the external auditor, including how and under what circumstances external auditors are to be rotated or removed, such review to include, but not be limited to:
  - (i) a review of estimated and actual fees;
  - (ii) a review of the engagement letter of the external auditor and the scope and timing of the audit work; and
  - (iii) pre-approval of all non-audit work to be performed by the external auditor and the fees to be paid therefore.
- 15) To review and approve the Corporation's hiring policies regarding current and former partners and employees of the external auditor.
- 16) To be directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 17) To review with the external auditor the performance of management involved in the preparation of financial statements, any problems encountered by the external auditor, any restrictions on the external auditor's work, the co-operation received in performance of the audit and the audit findings, any significant recommendations made to management on internal controls and other financial and business matters and management's response to the recommendations.
- 18) To provide the external auditor with the opportunity to meet with the Committee without management present at least once per year for the purpose of discussing any issues.
- 19) If determined appropriate by the Committee, to delegate authority to pre-approve non-audit services of the external auditor to the chair of the Committee, which pre-approval must be presented to the full Committee at its next scheduled meeting.
- 20) To confirm the accountability of the external auditor to the Committee and the Board and to satisfy itself that the external auditor's independence in carrying out the audit function is not impaired by either management or the external auditor's own action or activities.
- 21) To require the management of the Corporation to implement and maintain appropriate internal control and data security procedures and oversee their implementation and operation.
- 22) To review the competence and adequacy of the Corporation's staffing for the accounting, financial and internal audit functions.

- 23) To establish a satisfactory procedure for the receipt, retention and handling of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, which will include procedures for the confidential, anonymous submission of concerns by employees with regard to these matters.
- 24) To report and make recommendations to the Board arising from its responsibilities as the Committee considers appropriate.

To ensure that the Committee is able to discharge the foregoing duties and responsibilities, the Corporation shall require the external auditor to report directly to the Committee.

### **Minutes**

Minutes shall be kept of all meetings of the Committee.

### **Meetings**

Except as otherwise provided in this mandate, the rules and regulations relating to the calling and holding of and proceedings at meetings of the Committee shall be those, making allowance for the fact that it is a committee, that apply to meetings of the Board, subject to such modifications as may, from time to time, be determined by resolution of the Committee. Until otherwise determined by resolution of the Board:

- 1) The quorum for meetings of the Committee shall be two of its members.
- 2) Meetings of the Committee may be called by its Chair or Vice Chair, if any, or by any member of the Committee, or by the external auditor of the Corporation. The Committee may at any time request the attendance of any officer of the Corporation or any person at any meeting of the Committee. Any member of the Committee may request the external auditor of the Corporation to attend every meeting of the Committee held during the member's term of office.
- 3) The external auditor of the Corporation shall receive notice of every meeting of the Committee and may attend and be heard at any meeting.
- 4) Meetings of the Committee shall be held at such time and place as may be determined from time to time by the Committee or by the Chair or Vice Chair, if any, of the Committee, and notice thereof shall be given in the manner and with the length of notice provided in the resolution(s) of the Board relating to notices of meetings of directors.

### **Reports to the Board**

The Committee shall report to the Board as follows:

- 1) In the case of annual statements and any returns that under applicable legislation must be approved by the Board, the Committee shall report thereon to the Board before approval is given.
- 2) All significant actions of the Committee shall be reported to the Board whenever possible at its next succeeding regular Board meeting and shall be subject to revision or alteration by the Board.

The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

### **Access to Information**

In its discharge of the foregoing duties and responsibilities, the Committee shall have the authority to communicate directly with the external auditor and shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the relevant accounting books, records and systems of the Corporation and shall discuss with the officers and auditors of the Corporation such books, records, systems and other matters considered appropriate.

### **Independent Advisors**

The Committee shall have the authority to engage such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

### **Board Review of Charter**

The Board shall review the adequacy of the Committee's charter on at least an annual basis. In accordance with MI 52-110, the text of this charter shall be included in the Corporation's Annual Information Form.