



## HARTE GOLD CORP.

### AUDIT COMMITTEE CHARTER

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The board of directors (the “**Board**”) of Harte Gold Corp. (“**Harte Gold**” or the “**Company**”) has established an Audit Committee (the “**Committee**”) whose membership, authority and responsibilities shall be as set out in this Charter, as it may be amended from time to time by the Board.

#### **FUNCTION**

The Committee’s primary functions are to (a) assist the Board in its oversight of the integrity of the Company’s financial statements and financial reporting process, the Company’s compliance with legal and regulatory requirements and corporate policies and internal controls; and (b) the selection, retention, qualifications, objectivity and independence of the independent auditor.

#### **MEMBERSHIP**

Following each annual meeting of shareholders of Harte Gold, the Board shall appoint no fewer than three directors to the Committee (the “**Members**”), all of whom shall be "independent" within the meaning of applicable rules of securities regulatory authorities and stock exchanges (the “**Listing Rules**”), and shall appoint one of the Members to chair the Committee.

Members shall serve until the next annual meeting of shareholders or until their successors are duly appointed or until such member resigns, retires or is removed from the Committee by the Board. The Board may fill any vacancy in the Committee by appointment from among the directors of the Company.

All Members shall, from and after the time of their respective appointments to the Committee, have a practical knowledge of finance and accounting and be able 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 that can reasonably be expected to be raised by Harte Gold’s financial statements. In addition, Members may be required to participate in continuing education if required by applicable law or the Listing Rules.

At least one of the Members shall be a “financial expert” as defined in the applicable Listing Rules.

The Committee may form and delegate authority to subcommittees when appropriate.

#### **MEETINGS**

The Committee shall meet as frequently as is necessary to carry out its responsibilities, but at least quarterly.

Each meeting will include an *in camera* session of (a) the Committee without members of management present and (b) the Committee with the independent auditor. At least annually, the Committee shall also hold *in camera* sessions with each of Harte Gold's Chief Financial Officer ("CFO") and controller.

The Committee is governed by the rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of this Charter, (b) any provision of the constating documents or bylaws of Harte Gold, or (c) applicable law and Listing Rules.

In the absence of the Committee chair for any meeting, the Members shall elect a chair from those in attendance to act as chair of that meeting.

The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

### **REPORTING TO BOARD**

Following each meeting of the Committee, the Committee shall report to the Board on the issues considered by the Committee, any recommendations being made by the Committee for approval by the Board and on any actions taken by the Committee.

### **RESPONSIBILITIES, DUTIES & POWERS**

The Committee's principal responsibility is one of oversight. Harte Gold's management is responsible for preparing the Company's financial statements, and Harte Gold's independent auditor is responsible for auditing and reviewing those financial statements. In carrying out these oversight responsibilities, the Committee is not providing any expert or special assurance as to Harte Gold's financial statements or any professional certification as to the independent auditor's work. The designation or identification of a Member as a "financial expert" or "financially literate" does not impose on such person any duties, obligations, or liability that are greater than the duties, obligations, and liability imposed on such person as a Member of the Committee and Board in the absence of such designation or identification; and the designation or identification of a Member as a "financial expert" or "financially literate" does not affect the duties, obligations, or liability of any other Member or Board member.

### **Independent Auditor**

The independent auditor reports to the Committee. In carrying out its responsibilities with respect to the independent auditor, the Committee shall:

1. subject to the laws of Canada as to the role of the shareholders in the appointment of independent auditors, recommend to the Board the appointment, compensation and replacement of the independent auditor;

2. communicate to the independent auditor that it is ultimately accountable to the Board and the Committee;
3. oversee the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting);
4. review the performance of the independent auditor, including the lead partner, on an annual basis;
5. review the plan and scope of the quarterly review and annual audit engagements with the independent auditor;
6. consult with the independent auditor about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
7. on an annual basis, obtain and review a report from the independent auditor regarding (a) the independent auditor's internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to any independent audit carried out by the independent auditor, and any steps taken to deal with any such issues;
8. at least annually, evaluate the independence of the independent auditor, and any potential conflicts of interest and all relationships between the independent auditor and the Company, including obtaining and reviewing a report prepared by the independent auditor describing all relationships between the independent auditor and the Company;
9. ensure the rotation of the lead audit partner having primary responsibility for the audit, the concurring partner responsible for reviewing the audit, and other audit partners at least every five years or such other period as may be required under applicable law;
10. approve, or recommend to the Board for approval, all audit, audit-related and non-audit engagement fees and terms of the engagement of the independent auditor prior to the commencement of the engagement (the Committee may delegate to one or more Committee members the authority to pre-approve engagements, provided that the decision to do so is presented to the full Committee at its next scheduled meeting); and
11. set hiring policies for employees or former employees of the independent auditor in accordance with applicable laws and regulations.

### **Financial Reporting**

The Committee plays a critical role in the review and public release of the Company's financial information. In this regard, the Committee shall:

1. review the annual and interim financial statements and related “management’s discussion and analysis of financial and operating results” prior to recommending the same for approval by the Board and filing with securities regulatory authorities. The Committee shall, in conducting this review, discuss with management and the independent auditor:
  - (a) the results of the independent auditor’s reviews and audit, any issues arising and management’s response, including any restrictions on the scope of the independent auditor’s activities or requested information and any significant disagreements with management; the Company’s critical accounting policies and practices (and any proposed or actual changes), alternative accounting treatments (including any ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and an explanation of why the independent auditor’s preferred method was not adopted), significant accounting and reporting issues and judgments; material written communications between the independent auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the independent auditor’s review;
  - (b) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
  - (c) whether actual results for the period varied significantly from budgeted, projected or previous results;
  - (d) any significant or unusual events or transactions that require disclosure;
  - (e) any correspondence with regulators or governmental agencies or any employee complaints which raise material issues with respect to the Company’s financial statements or accounting policies;
  - (f) the impact of any regulatory and accounting initiatives, as well as any off balance sheet structures, on the Company’s financial statements;
  - (g) the independent auditor’s perception of the Company’s financial and accounting personnel, records and systems, the cooperation which the independent auditor received during the course of its review or audit and the availability of records, data and other requested information and any recommendations with respect thereto;
  - (h) any legal or business matters that may have a material impact on the financial statements or the Company’s compliance policies; and
  - (i) whether the independent auditor and management are satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information, including information extracted or derived from the financial statements and assess the adequacy of such procedures;

2. review, with management and the independent auditor, risks of material misstatement due to fraud, and the processes and controls implemented by the Company to manage the risks;
3. discuss with management generally the types of information (including financial information and earnings guidance) to be disclosed in earnings press releases and earnings calls, as well as to analysts and rating agencies;
4. prior to each annual news release reporting proven and probable reserves, review with the members of management reporting the Company 's policies, procedures and methodology regarding the reporting of proven and probable reserves and non-reserve mineralized material; and
5. receive confirmation from the Chief Executive Officer (the “CEO”) and CFO that reports to be filed have been prepared in accordance with the Company’s disclosure controls and procedures and contain no material misrepresentations or omissions and fairly present, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports; and receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by the reports.

### **Conduct of the Annual Audit**

The Committee shall oversee the annual audit and, in the course of such oversight, the Committee shall:

1. review the scope, plan and procedures to be used on the annual audit and receive confirmation from the independent auditor that no limitations have been placed on the scope or nature of their audit scope, plan or procedures;
2. meet with the independent auditor as may be necessary or appropriate in connection with the audit;
3. ascertain that the independent auditor is registered and in good standing with the Canadian Public Accounting Board and that the independent auditor satisfies all applicable Canadian independence standards; and
4. make such inquiries of management and the independent auditor as it deems necessary or appropriate to satisfy itself of the efficacy of the Company’s financial and internal controls and procedures and the auditing process.

### **Internal Control Over Financial Reporting**

To ensure the integrity of the Company’s internal control over financial reporting, the Committee shall:

1. review annually, evaluate and discuss with the independent auditor and management the adequacy and effectiveness of the Company’s internal controls over financial reporting, including reviewing and discussing any significant deficiencies or significant changes in

the design or operation of the Company's internal controls (including controls over interim and annual financial reporting, computerized information systems and cybersecurity), material weaknesses in internal controls and any fraud (whether or not material), and determine whether any internal control recommendations made by independent auditor have been implemented by management;

2. review and discuss with independent auditor and management the Company's process with respect to risk assessment (including fraud risk), risk management and the Company's major financial risks and financial reporting exposures, all as they relate to internal controls over financial reporting, and the steps management has taken to monitor and control such risks;
3. review the Company's Code of Business Conduct and Ethics and, in particular, the actions taken to monitor and enforce compliance; and
4. establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

### **Compliance and Risk Management**

The Committee plays a critical role in ensuring the Company's compliance with applicable laws and policies and the management of risks facing the Company. In this regard, the Committee shall:

1. discuss with management and the independent auditor the Company's policies, procedures and programs regarding compliance with established standards of corporate conduct and applicable laws and regulations;
2. evaluate whether management is setting the appropriate tone at the top by communicating the importance of internal controls, ethics and conduct codes and ensuring that all supervisory and accounting employees understand their roles and responsibilities with respect to internal controls;
3. review with management and the independent auditor:
  - (a) the Company's policies with respect to risk assessment and risk management;
  - (b) the Company's major financial risk exposures (including risks related to the Company's financial statements, legal and regulatory compliance matters and the oversight of the independent auditor);
  - (c) the steps management has taken to monitor and control such exposures (including guidelines, policies and insurance); and
  - (d) the processes followed for assessment of internal controls over financial reporting;

3. review and evaluate at least annually Harte Gold's policies and procedures for maintaining and investing cash funds and for hedging (metals, foreign currency, etc.) as detailed in the corporate treasury policy and approve any variations from the corporate treasury policy that may be required from time to time;
4. ensure the implementation of procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
5. at least annually, review the reports with respect to the Company's programs for compliance with legal and regulatory requirements;
6. review and approve related-party transactions, if any, required to be disclosed and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made; and
7. review the results of reviews of executive officers' expense accounts and use of corporate assets.

### **Financial Management**

The Committee shall recommend the appointment of the CFO to the Board and will review with the CFO the qualifications of new key financial executives involved in the financial reporting process.

On an annual basis, the Committee shall (a) review the adequacy and quality of Harte Gold's financial and accounting staff; and (b) review succession plans for the CFO and the controller.

### **Director and Officer Liability**

The Committee shall review the Company's insurance program on an annual basis, including the directors' and officers' insurance and indemnities, and consider the adequacy of such coverage.

### **Related Party Transactions**

The Committee shall review and oversee any proposed related party transaction or situation involving a director's or officer's potential or actual conflict of interest, other than routine transactions and situations arising in the ordinary course of business, and make recommendations to the Board as to whether any such transaction, contract or other arrangement should be approved or continued.

### **Risk Management**

The Committee shall assist the Board in fulfilling its risk oversight responsibilities by, among other things, ensuring that processes are in place to enable management to identify significant financial related risks; ensuring that management establishes appropriate action plans to mitigate against such risks; and monitoring management's implementation of such action plans.

## **Public Disclosure**

In addition to the public disclosures specifically referenced elsewhere in this Charter, the Committee shall review and approve (or recommend to the Board for approval), prior to public release, such other public disclosures containing financial information including guidance with respect to earnings per share, financial information contained in any prospectus, annual information form, annual report, management information circular, material change disclosure of a financial nature, as the Committee considers appropriate.

## **Access to Management & Information**

The Committee will have full and free access to officers and employees of the Company and the Company's books and records. Any meetings or contacts that the Committee wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the chair or other member of the Committee. The Committee will use its judgment to ensure that any such contact is not disruptive to the business operations of the Company.

## **Advisors**

The Committee has the authority to retain, obtain the advice of, and terminate any consultant, external legal counsel or other advisor, to assist it in the performance of its duties. Harte Gold will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any advisor retained by the Committee. The Committee shall have sole authority to approve such consultants' fees and retention terms, and shall be directly responsible for the selection, compensation and oversight of the advisors it retains.

## **Committee Evaluation**

The Committee shall review, at least annually, the Committee's duties, responsibilities and performance and determine if any changes in practices of the Committee or amendments to this Charter are necessary or otherwise deemed appropriate by the Committee. This review shall include reviewing with management and the independent auditor the applicable law and the Listing Rules relating to the qualifications, activities, responsibilities and duties of audit committees and compliance therewith.

Approved by the Board of Directors on November 12, 2020