



LUPAKA GOLD CORP.

AUDIT COMMITTEE CHARTER

I. Purpose

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others, identifying and monitoring the management of the principal risks that could impact the financial reports of the Company, reviewing the systems of corporate controls which management and the Board have established, and monitoring auditor independence and the audit process. The Committee is directly responsible for overseeing the work of the external auditors. The Committee also provides an avenue of communication among the external auditor, management and the Board.

More specifically the purpose of the Committee is to satisfy itself that:

- A. The Company’s annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company and are suitable to recommend to the Board for its approval.
- B. The financial information contained in the Company’s quarterly financial statements, Annual Report and other financial publications such as Management’s Discussion and Analysis, the Annual Information Form and financial information contained in any other material disclosure document, is fairly presented in all material respects and is suitable to recommend to the Board for its approval.
- C. The Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements. This would include appropriate disclosure controls and procedures that enable financial information to be recorded, processed, summarized and reported within the time periods required by law.
- D. The external auditor is independent and qualified; the external audit function has been effectively carried out; and, any matter which the external auditors wish to bring to the

attention of the Board has been addressed. The Committee will also recommend to the Board the re-appointment or appointment of auditors and their remuneration.

II. Composition and Terms of Office

- A. Following each annual meeting of shareholders of the Company, the Board shall appoint not less than two members and if there are three or more independent directors then at least three members to the Committee. Each member of the Committee shall be independent¹.
- B. All members shall be financially literate, (as defined by applicable legislation). At least one member shall have accounting or related financial management expertise and, if required by applicable legislation, at least one member shall be a financial expert.
- C. The Committee Chair shall be appointed by the Board.
- D. Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Company. Each member shall hold office until the close of the next annual meeting of shareholders of the Company or until the member resigns or is replaced, whichever first occurs.
- E. The Committee Chair shall, in consultation with the Committee members, determine the schedule and frequency of meetings, provided that the Committee meets at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any Committee member, the Board or by the external auditors.
- F. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the appointed members. Resolutions arising at any meeting shall be passed by a majority of votes of the members present, and in case of an equality of votes the Chair does not have a second or casting vote.
- G. The Committee may invite any person it sees fit to attend meetings and assist in the discussion and consideration of the business of the Committee, but without voting rights.

¹ A director is **independent** if he or she would be independent for the purposes of (i) Canadian Securities Administrators Multilateral Instrument 52-110 – Audit Committees; and (ii) any other applicable legislation or policy.

- H. The Committee may retain, at the Company's expense, outside consultants or advisors to assist the Committee in the performance of its duties when it considers this action necessary or advisable.
- I. The Committee will meet regularly with management and the external auditors in separate sessions.
- J. The Committee shall meet in camera, without management present, at the end of each regularly scheduled Committee meeting.
- K. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in the books kept for that purpose, and shall report on its activities to the Board at such times as the Board may require, but no later than the next meeting of the Board.
- L. Information reviewed by the Committee will be available for examination by any director upon request to the Corporate Secretary of the Company.

III. Duties and Responsibilities

A. Audit Committee Charter

The Committee shall review and assess the adequacy of its Audit Committee Charter at least annually and submit any changes to the Board for approval.

B. Financial Reporting Control Systems

The Committee shall:

- (i) satisfy itself that the Company's disclosure controls and internal controls are adequate, and that the related CEO and CFO certifications, including discussion of any significant changes or deficiencies in such controls, are appropriately given;
- (ii) review the management letter of the external auditors and the Company's responses to suggestions made;
- (iii) review (prior to hiring in the case of the CFO or the Controller) any new appointments to senior positions with financial reporting responsibilities ; and
- (iv) review, in consultation with management, significant financial risks and the steps management has taken to monitor, control, and report such risks and review any significant recommendations prepared by the external auditors, together with management's responses.

C. Interim Financial Statements

The Committee shall:

- (i) review interim financial statements with Company officers prior to their release and recommend their approval to the Board; this will include a detailed review of quarterly and year-to-date results and management's discussion and analysis; and
- (ii) review narrative comments and associated press releases accompanying interim financial statements.

D. Annual Financial Statements and Other Financial Information

The Committee shall:

- (i) review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;
- (ii) obtain summaries of significant issues regarding accounting principles, practices and significant management estimates and judgments, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;
- (iii) obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of information provided by the Company officers;
- (iv) review and discuss reports from external auditors on:
 - (a) all critical accounting policies and practices to be used;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
 - (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and
 - (d) the external auditors attestation of management's internal control report if required by applicable law.
- (v) review disclosures made to the Committee by the CEO and CFO during their certification process for any statutory documents about any significant deficiencies

in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls;

- (vi) review with management, including the CEO and CFO, management's internal control report required to be included in any statutory document;
- (vii) review and investigate complaints and confidential submissions to the Company or the Committee regarding internal controls or questionable accounting or auditing matters;
- (viii) review a summary provided by the Company's legal counsel of the status of any material pending or threatened litigation, claims and assessments;
- (ix) review and discuss the annual financial statements and the auditors' report thereon with the Company's officers and the auditors;
- (x) review financial information contained in the Annual Report and other public information documents and any related press releases, prior to their release;
- (xi) provide to the Board a recommendation as to whether the annual financial statements should be approved;
- (xii) ensure that appropriate disclosure controls and procedures are in place and annually assess the adequacy of such procedures; and
- (xiii) review the Company's various sources of risk and management's plans to manage such risks including insurance, hedging, etc.

E. External Audit Terms of Reference, Reports, Planning and Appointment

The external auditor shall report directly to the Committee. The Committee shall:

- (i) review the audit plan with the external auditors and oversee the work of the external auditors in preparing and issuing the auditors' report and performing other audit, review or attest services for the Company;
- (ii) annually review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (iii) discuss with the external auditors, without management present, matters affecting the conduct of their audit and other corporate matters;
- (iv) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles;

- (v) recommend to the Board each year the retention or replacement of the external auditors; if there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition;
- (vi) annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditors;
- (vii) pre-approve all non-audit services to be performed by the external auditors that are not prohibited by law (unless such approval is not required by applicable law);
- (viii) ensure the rotation of the lead or coordinating audit partner having primary responsibility for the audit as required by law; and
- (ix) review the Company's hiring policies regarding employees and former employees of the Company's present and former external auditors who may be hired by the Company to perform financial functions.

F. Whistleblower Policy

The Committee shall establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding fraudulent or dishonest use of the Company's resources or questionable accounting or auditing matters.

G. Material Disclosure Documents

The Committee shall review any financial information within any prospectus, information circular or other material disclosure documents prior to their release and recommend to the Board whether these materials should be approved.

H. Other

The Committee shall:

- (i) keep themselves current with industry trends and developments in accounting practices.
- (ii) have such other powers and duties as delegated to it by the Board.

Reviewed by the Audit Committee on the 6th day of November, 2014.

Approved by the Board of Directors on the 6th Day of November, 2014.