

## **AUDIT COMMITTEE CHARTER**

### **I. Introduction**

The Audit Committee Charter (the "Charter") was adopted by the Board of Directors (the "Board") of Group Eleven Resources Corp. (the "Company") on April 13, 2018.

### **II. Purpose**

The overall purpose of the Audit Committee (the "Committee") of Group Eleven Resources Corp. (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

### **III. Composition, Procedures and Terms of Office**

The Audit Committee shall be composed of a minimum of three Directors comprising entirely of Independent Directors. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of 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 Company's financial statements.

Members shall be appointed by the Board at the first meeting of the Board following the Company's annual general meeting of shareholders and shall serve until the next such meeting. Members shall serve until such member's successor is appointed or until such member's earlier resignation. Members may be removed, with or without cause, by a majority vote of the Board.

Unless the Board has appointed a chair of the Committee, the members of the Committee will elect a chair from among their number. The Committee will appoint an individual, who need not be a director or a member of the Committee, to be the secretary of the Committee.

Meetings of the Committee shall be conducted as follows:

1. The Committee shall meet at least four times annually based on the quarterly reporting requirements of the Company. The external auditors or any member of the Committee may request a meeting of the Committee;
2. The external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
3. Management representatives may be invited to attend all meetings except private sessions with the external auditors.

The quorum for meetings will be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. Decisions by the Committee will be by the affirmative vote of a majority of the members of the Committee, or by consent resolutions in writing signed by each member of the Committee.

The Committee will have access to such officers and employees of the Company and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities. The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **IV. Duties and Responsibilities**

The overall duties and responsibilities of the Committee shall be as follows:

1. To assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
2. To establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
3. To ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
4. To report regularly to the Board on the fulfillment of its duties and responsibilities.

The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

1. To recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
2. To review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

3. Review the audit plan of the external auditors prior to the commencement of the audit;
4. To review with the external auditors, upon completion of their audit:
  - a) Non-audit services provided by the external auditors;
  - b) The quality and not just the acceptability of the Company's accounting principles; and
  - c) Structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

1. Review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
2. Review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
3. Review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
4. Periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

The Committee is also charged with the responsibility to:

1. Review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
2. Review and approve the financial sections of:
  - a) The annual information form, if required;
  - b) Annual and interim MD&A;
  - c) Prospectuses;
  - d) News releases discussing financial results of the Company; and
  - e) Other public reports of a financial nature requiring approval by the Board,
3. Review regulatory filings and decisions as they relate to the Company's financial statements;

4. Review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
5. Review and report on the integrity of the Company's financial statements;
6. Review the minutes of any audit committee meeting of subsidiary companies;
7. Review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
8. Review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
9. Develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

The Committee will have the following additional responsibilities and will discuss with or make recommendations to the Board as required:

1. Review and recommend updates to its charter to the Board of Directors annually.
2. Review disclosure relating to executive compensation in an Information Circular or Annual Information Form.
3. Assess the Committee's own performance once each year.
4. The Committee shall report to the Board of Directors at the next Board meeting, all such action it has taken since its previous report to the Board of Directors.