



## AUDIT COMMITTEE MANDATE

---

### AUDIT COMMITTEE MANDATE

#### COMMITTEE PURPOSE

The Audit Committee (Committee) assists the board of directors (Board) of Dundee Precious Metals Inc. (DPM) in ensuring that DPM's financial matters are consistently managed in a way that supports the fulfilment of DPM's purpose and strategy in compliance with DPM's policies, standards and legal and regulatory obligations. Specifically, the Committee assists the Board in the oversight and assessment of:

- The integrity, quality and transparency of DPM's financial statements and other related disclosure documents
- DPM's internal control over financial reporting (ICFR) and disclosure controls and procedures (DC&P)
- Financial risk assessment and management
- The external auditor's nomination, qualifications, compensation, performance, and independence
- The performance and work of DPM's internal audit department (Internal Audit)
- DPM's tax affairs, treasury management, and corporate finance structure initiatives

The Chief Financial Officer (CFO), Global Controller and Treasurer support the Committee in fulfilling these responsibilities.

#### OPERATING GUIDELINES

In carrying out its role and responsibilities, the Committee follows the Committee Operating Guidelines.

#### COMPOSITION

The Committee is composed of at least three independent Directors appointed by the Board, with one Committee member designated as Chair of the Committee. Committee members are selected from the Directors on the recommendation of the Corporate Governance and Nominating Committee, provided that at least one Committee member is a financial expert as determined by DPM, and all members of the Audit Committee are "independent" and "financially literate".<sup>1</sup>

#### RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee assumes the following responsibilities:

---

<sup>1</sup> "Independence" and "financially literate" are terms defined in accordance with applicable corporate and securities laws and regulations, including National Instrument 52-110.

## AUDIT COMMITTEE MANDATE

---

### *Financial Statements and Related Disclosure Documents*

1. Review with the CFO and such other members of the senior leadership team as the Committee requires (collectively, Management), and recommend to the Board for approval DPM's interim reviewed and annual audited consolidated financial statements, management's discussion and analysis, related news releases, and any other related financial reports or any other relevant public disclosures containing financial information as the Committee considers appropriate, and ensure they are understandable, accurate, and properly reflect the financial position and results of operations of DPM, in each case in all material respects.
2. Discuss with Management and the external auditor:
  - a. Quality, appropriateness, and acceptability of accounting standards and principles applied by DPM;
  - b. All proposed changes in accounting policy and the impact of any changes in financial reporting requirements;
  - c. Reasonableness of all estimates or judgments of DPM's Management that may be material to financial reporting;
  - d. Clarity and completeness of the financial statement disclosure;
  - e. The impact and presentation of all significant financial risks or uncertainties; and
  - f. Significant adjustments and presentation issues arising out of the review or audit process, and any proposed adjustments that were not made because they were immaterial or otherwise.
3. Review any new or pending developments or general accounting and reporting standards that may affect DPM's financial statements.
4. Review disclosures concerning related party transactions.
5. Review the financial information contained in any offering document of DPM's securities prior to its release.

### *Internal Control, Disclosure, and Financial Risk Management*

1. Review and discuss the CEO and CFO's quarterly and annual assessments of the design and operating effectiveness of DPM's ICFR and DC&P as well as compliance with their certification obligations as required by regulators.
2. Periodically review and assess with Management, the external auditor, and Internal Audit the adequacy and effectiveness of DPM's ICFR and DC&P systems to assess, monitor and manage DPM's assets, liabilities, revenues and expenses, including any significant deficiencies or material weaknesses in the design or operational effectiveness of ICFR and DC&P systems and any fraud or illegal acts that involve the CFO or other employees who have a significant role in DPM's ICFR and DC&P systems.

## AUDIT COMMITTEE MANDATE

---

3. Periodically review and discuss with Management and Internal Audit the assessment and management of material risks and exposures related to the Committee's areas of oversight (including but not limited to financial, disclosure, fraud, tax, and financial reporting risks and exposures) and Management's systems, control plans and steps taken to assess and manage such risks.
4. Review the disclosure in DPM's annual disclosure documents (including the Annual Information Form and Management Information Circular) concerning the Committee's composition, areas of oversight and responsibilities and how they are discharged and any other required disclosure concerning the Committee.
5. Review the disclosure in DPM's Sustainability Report on tax transparency and other required tax-related disclosure.

### *Financial Audit and Reviews*

1. Receive reports directly from and oversee the external auditor.
2. Oversee the external review and audit processes including:
  - a. Discuss with representatives of the external auditor the plans for their quarterly reviews and annual audit, including the adequacy of staff and their proposed compensation, and recommend for approval by the Board the external auditor's compensation;
  - b. Receiving and reviewing reports of the external auditor in connection with the review or audit of DPM's financial statements;
  - c. Ensuring at all times that the Committee has direct communication channels with the external auditor to discuss and review specific issues, as appropriate;
  - d. Allowing the external auditor to attend and be heard at each quarterly Committee meeting and such other Committee meetings as requested by the Chair;
  - e. Meeting with the external auditor and CFO at every Committee meeting to discuss any issues or concerns warranting Committee attention;
  - f. Reviewing any recommendations of the external auditor and Management's responses and subsequent follow up; and
  - g. Overseeing the resolution of any disagreements between Management and the external auditor.

### *External Auditor*

1. At least annually recommend to the Board the appointment of an external auditor for approval by DPM's shareholders.
2. Pre-approve the retention of the external auditor for any non-audit services and the compensation for such services and ensure these are in compliance with applicable securities laws and regulations, professional standards, and DPM policies and procedures. The

## AUDIT COMMITTEE MANDATE

---

Committee delegates to the Committee Chair the authority to pre-approve non-audit services provided that such pre-approval of non-audit services must be presented to the full Committee at its first scheduled meeting following such pre-approval.

3. Monitor the independence of the external auditor, including:
  - a. At least annually, obtaining and reviewing a report of the external auditor describing all relationships between the external auditor and DPM to assess independence;
  - b. Annually receiving a letter from the external auditor confirming its continued independence; and
  - c. Review and approve DPM's hiring policy regarding partners, employees, and former partners and employees of DPM's present and former external auditor to ensure that the external auditor remains independent.
4. Prior to entering into substantive employment conversations, review and approve any employment opportunities with DPM for current or former partners and employees of DPM's present and former external auditor, ensuring compliance with DPM's hiring policies that are designed to ensure the external auditor's independence.
5. At least annually, evaluate the external auditor's qualifications, performance and independence, including that of the external auditor's lead partner, and report such results to the Board.

### *Internal Audit*

1. Oversee Internal Audit and its relationship with the external auditor and Management and ensure Internal Audit provides independent and objective assurance of DPM's risk management, control, and governance systems.
2. Review and approve the appointment, termination, bonuses and proposed base compensation changes for the Director, Internal Audit.
3. Annually review and approve any amendments to the Internal Audit charter, including Internal Audit's authority and organizational reporting lines.
4. Periodically review, discuss, and if appropriate, approve the annual Internal Audit plan, including key priorities, initiatives and planned audits; internal and external resource and staffing requirements; longer term plans; and the financial budget to support these activities.
5. Ensure at all times that the Committee has direct communication channels with the Director, Internal Audit to discuss and review specific issues, as appropriate.
6. Determine whether the performance of Internal Audit is satisfactory, effective, and meets DPM's requirements.

## AUDIT COMMITTEE MANDATE

---

### *Speak Up and Reporting*

1. With support from the Compensation and Governance Committee as needed, establish and regularly review systems, policies and procedures with respect to employees and third parties for:
  - a. The receipt, retention and treatment of complaints received by DPM, confidentially and anonymously, regarding accounting, internal accounting controls, financial reporting and disclosure controls and procedures, or auditing matters as well as other alleged illegal, fraudulent, or unethical behaviour or other reportable violations described in DPM's Speak Up and Reporting Policy; and
  - b. Dealing with the reporting, investigating, handling and taking of remedial action with respect to alleged violations of DPM's Speak Up and Reporting Policy.
2. Receive regular reports concerning complaints received under DPM's Speak Up and Reporting Policy related to the Committee's areas of responsibility and oversee investigations related to such complaints.

### *Delegation of Authority and Authority Limits*

1. Review and recommend for Board approval any amendments to DPM's Delegation of Authority and Authority Limits Policy.

### *Financing and Tax Arrangements, Investments, Borrowings*

1. At least quarterly, receive and review reports concerning the status of all open forward commodity and foreign exchange positions as well as the status of DPM's debt covenants.
2. Periodically receive and review reports from Management on tax matters that could have a material effect upon DPM's financial position or operating results, including corporate structural changes, tax positions and plans, material tax developments, and tax assessments from regulatory authorities.
3. Review and recommend for Board approval any amendments DPM's Treasury Policies.

### *Compliance*

1. Review and discuss any correspondence with securities regulators or other financial regulatory or government agencies which raise material issues regarding DPM's financial reporting or accounting policies and oversee the resolution of such matters.
2. At least annually, receive and review a report concerning DPM's insurance program and if appropriate, recommend for Board approval any amendments to such program.
3. At least quarterly, confirm Management has:
  - a. Made all statutory withholdings and insurance payments;
  - b. Completed and filed all tax returns and made related payments in a timely manner; and

## AUDIT COMMITTEE MANDATE

---

- c. Filed all other required reports and disclosures as and when required.

### ***Mandate and Workplan Review and Performance***

1. Annually review the Committee's performance relative to this mandate.
2. Annually review the adequacy of the mandate and the Committee's workplan and recommend any changes to the Board.

### ***Other Responsibilities***

1. Oversee the development of and monitor DPM's cybersecurity activities and plans.
2. Review the appointment of and succession plan for the CFO and any other key financial personnel involved in the financial reporting process or Internal Audit department.
3. Review the sufficiency of resources available to meet DPM's commitments relating to areas of the Committee's oversight.
4. At least quarterly, the Committee Chair reviews and approves the expenses of the Board Chair and CEO and reports to the Committee concerning such expenses.
5. Keep current on emerging best practices relative to the Committee's mandate.
6. Review such other matters related to the Committee's purpose that the Committee or the Board deems advisable or timely in light of business, legal, regulatory or other conditions.

### ***In Camera Sessions***

At every quarterly meeting, the Committee holds the following *in camera* sessions:

1. Committee with the external auditor (without Management or Internal Audit) to:
  - a. Review the results of the external auditor's annual audit and quarterly reviews and reports in respect of any other services provided by the external auditor;
  - b. Determine whether Management and other DPM personnel have provided full and open disclosure to the external auditor's inquiries;
  - c. Review problems, if any, experienced by the external auditor in performing its work, including restrictions on the scope of activities or access to information;
  - d. Review Management's responses to audit or quarterly review issues; and
  - e. Review any disagreements with Management.
2. Committee with the Director, Internal Audit and any external resource supporting Internal Audit as considered necessary by the Committee (without Management or the external auditor) to review any areas of concern or follow-up.
3. Committee with the CFO.
4. Committee members only.



## AUDIT COMMITTEE MANDATE

---

In addition, the Committee may hold such other *in camera* sessions at any Committee meeting as the Committee determines is appropriate.

### ***Policy Oversight***

The Committee is responsible for overseeing and making recommendations to the Board for any required changes to the following Board and organizational policies:

1. Delegation of Authority and Authority Limits Policy
2. Treasury Policies
3. Policy on Hiring Personnel from External Auditor
4. Such other policies as determined appropriate by the Board