



AUDIT COMMITTEE CHARTER

(Approved by the Board of Directors on February 26, 2015)

Wellgreen Platinum Ltd.
Suite 1128 - 1090 West Georgia Street
Vancouver, BC, Canada V6E 3V7
604.569.3690
info@wellgreenplatinum.com
www.wellgreenplatinum.com



AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Wellgreen Platinum Ltd. (“**Wellgreen Platinum**” or the “**Company**”) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

- (a) the integrity of the Company’s financial statements and other financial information provided by the Company to securities regulators, governmental bodies or the public to ensure that the Company’s financial disclosures are complete, accurate, in accordance with IFRS, and fairly present the financial position and risks of the Company;
- (b) the Company’s compliance with legal and regulatory requirements;
- (c) assessing the independence, qualifications, performance and recommending the appointment of the Company’s independent auditor (the “**Auditor**”) to the Board and overseeing the non-audit services provided by the Auditor;
- (d) Executive Management responsibility for assessing and reporting on the effectiveness of internal controls;
- (e) financial matters and risk management of financial risks as delegated by the Board;
- (f) the prevention and detection of fraudulent activities; and
- (g) standards of business conduct and ethics for directors, Executive Management and employees.

The Committee provides an avenue for communication between each of the Auditor, the Company’s executive officers (“**Executive Management**”) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company’s shareholders. The Committee, in its capacity as a committee of the Board and subject to the requirements of applicable law, is directly responsible for the appointment, compensation, retention, and oversight of the Auditor.

2. COMPOSITION

The Committee shall be comprised of at least three directors (and no more than five directors). Each Committee member shall:

- (a) satisfy the laws governing the Company;
- (b) be “independent” in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), which is reproduced in Appendix “A” of this charter;
- (c) be “financially literate” in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix “A” of this charter;



- (d) at the time of becoming a member of the Audit Committee and prior to being re-appointed to the Audit Committee after the Company's annual general meeting of shareholders, execute a certificate confirming that he/she is "independent" and "financially literate" in accordance with the definitions of such terms set out in Sections 1.4 and 1.6 of NI 52-110; and
- (e) be entitled to receive remuneration for acting in such capacity as the Board may from time to time determine.

Committee members, and the chairman of the Committee (the "**Committee Chair**"), shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company's shareholders.

The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least four times annually, and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

- (a) within 45 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis ("**MD&A**") prior to their filing with the applicable securities regulatory authorities; and
- (b) within 90 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A prior to their filing with the applicable securities regulatory authorities.

As part of its job to foster open communication, the Committee should meet at least annually with Executive Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least the Committee Chair should meet with Executive Management quarterly to review the Company's financial statements.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

The Committee Chair appointed by the Board each year shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the "**Committee Secretary**") and, upon receiving a request to convene a Committee meeting from any Committee member, the Auditor, the Chief Executive Officer, the Chief Financial Officer or the Chairman of the Board, shall arrange for such meeting to be held.



The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member and the Auditor in advance of such meeting.

The Committee shall report to the Board regularly with respect to each Committee meeting held.

The Committee may ask members of Executive Management or others to attend Committee meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers, directors and the Auditor.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

Financial Reporting Process

- (a) Review with Executive Management and the Auditor any items of concern, any proposed changes in the selection or application of major accounting policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Executive Management, to the extent that the foregoing may be material to financial reporting.
- (b) Consider any matter required to be communicated to the Committee by the Auditor under applicable generally accepted auditing standards, applicable law and listing standards, including the Auditor's report to the Committee (and the response of Executive Management thereto) on:
 - (i) all critical accounting policies and practices used by the Company;
 - (ii) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with Executive Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
 - (iii) any other material written communications between the Auditor and Executive Management.
- (c) Require the Auditor to present and discuss with the Committee their views about the quality, not just the acceptability, of the implementation of generally accepted accounting principles with particular focus on accounting estimates and judgements made by Executive Management and their selection of accounting principles.
- (d) Discuss with Executive Management and the Auditor:
 - (i) any accounting adjustments that were noted or proposed (i.e. immaterial or otherwise) by the Auditor but were not reflected in the financial statements;
 - (ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles or applicable law;



- (iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and
 - (iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.
- (e) Discuss with Executive Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution. Resolve disagreements between Executive Management and the Auditor regarding financial reporting.
- (f) Review with Executive Management and the Auditor:
 - (i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and
 - (ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.
- (g) Review with Executive Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.
- (h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Executive Management, and the response of Executive Management. Resolve any disagreements between Executive Management and the Auditor regarding these matters.
- (i) Review the results of the Auditor's audit work including findings and recommendations, Executive Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.
- (j) Review and discuss with Executive Management the audited annual financial statements and related MD&A, make recommendations to the Board with respect to approval thereof, before being released to the public, and obtain an explanation from Executive Management of all significant variances between comparable reporting periods.
- (k) Review and discuss with Executive Management and the Auditor all interim unaudited financial statements and related interim MD&A and make recommendations to the Board with respect to the approval thereof, before being released to the public.
- (l) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), obtain confirmation from the CEO and the CFO (and considering the Auditor's comments, if any, thereon) to their knowledge:
 - (i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings; and



- (ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings.
- (m) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public. Discuss the type and presentation of information to be included in news releases (paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information).
- (n) Review any news release, before being disseminated to the public, containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements.
- (o) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial executives involved in the financial reporting process.

Internal Controls

- (a) Receive from Executive Management a statement of the Company's system of internal controls over accounting and financial reporting.
- (b) Consider and review with Executive Management and the Auditor, the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.
- (c) Consider and discuss the scope of the Auditor's review of the Company's internal controls, and obtain reports on significant findings and recommendations, together with Executive Management responses thereto.
- (d) Discuss, as appropriate, with Executive Management and the Auditor, any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.
- (e) Review annually the disclosure controls and procedures, including:
 - (i) the certification timetable and related process; and
 - (ii) the procedures that are in place for the review of the Company's disclosure of financial information extracted from the Company's financial statements and the adequacy of such procedures.
- (f) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Executive Management or other employees who have a significant role in the Company's internal control over financial reporting.



In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

- (g) Review Executive Management’s annual report and the Auditor’s report on the assessment of the effectiveness of the Company’s internal control over financial reporting.

The Auditor

Qualifications and Selection

- (a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor, who must be registered with agencies mandated by applicable law. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for completing an audit and audit report.
- (b) Instruct the Auditor that:
 - (i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and
 - (ii) they must report directly to the Committee.
- (c) Ensure that the Auditor has direct and open communication with the Committee and that the Auditor meets regularly with the Committee without the presence of Executive Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.
- (d) Evaluate the Auditor’s qualifications, performance, and independence. As part of that evaluation:
 - (i) at least annually, request and review a formal report by the Auditor describing: the firm’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor’s independence) all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services and for various types of non-audit services for the periods prescribed by applicable law;
 - (ii) annually review and confirm with Executive Management and the Auditor the independence of the Auditor, including the extent of non-audit services and fees, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, whether there should be a regular rotation of the audit firm itself, and whether there has been a “cooling off” period of one year for any former employees of the Auditor who are now employees with a financial oversight role, in order to assure compliance with applicable law on such matters; and



- (iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Executive Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

- (e) Review and approve the Company's policies for the Company's hiring of employees and former employees of the Auditor. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

- (f) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.
- (g) Review and approve the basis and amount of the Auditor's fees with respect to the annual audit in light of all relevant matters.
- (h) Review and pre-approve all audit and non-audit service engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorised to pre-approve any audit or non-audit service engagement fees and terms. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given. Establish and adopt procedures for such matters.

Compliance

- (a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.
- (b) The receipt of regular updates from Executive Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the corporate governance and nominating committee of the Board. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.
- (c) Establish and oversee the procedures in the Company's Code of Business Conduct and Ethics (the "**Code**") to address:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters; and



- (ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters.
- (d) Review all proposed related party transactions and situations involving a director's, senior officer's or an affiliate's potential or actual conflict of interest that are not required to be dealt with by an "independent committee" pursuant to securities law rules, other than routine transactions and situations arising in the ordinary course of business, consistent with past practice. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorised to review all such transactions and situations. At the next Committee meeting, the Committee Chair shall report the results of such review. Ensure that political and charitable donations conform with policies and budgets approved by the Board.
- (e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.
- (f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.
- (g) Oversee Executive Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board's corporate governance and nominating committee.

Financial Oversight

- (a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:
 - (i) capital structure and funding including finance and cash flow planning;
 - (ii) capital management planning and initiatives;
 - (iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;
 - (iv) the Company's annual budget;
 - (v) the Company's insurance program;
 - (vi) directors' and officers' liability insurance and indemnity agreements; and
 - (vii) matters the Board may refer to the committee from time to time in connection with the Company's capital position.

Other

- (a) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee of the Company for recommendation to the Board for approval.
- (b) Review its own performance annually, and shall provide the results of such evaluation to the Board for its review.



- (c) Perform any other activities consistent with this charter, the Company's Articles and By-laws, the Company's governing laws and the regulations of stock exchanges, as the Committee or the Board deems necessary or appropriate.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

- (a) select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and
- (b) obtain appropriate funding to pay, or approve the payment of, such approved fees,

without seeking approval of the Board or Executive Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on audit and financial matters relating to the Company.

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

The minutes of all Committee meetings shall be filed with the Company's Corporate Secretary.



Schedule "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 **Meaning of Independence**

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.



- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional Independence Requirements

- (1) Despite any determination made under section 1.4, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or



- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

1.6 *Meaning of Financial Literacy*

For the purposes of this Instrument, 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 issuer's financial statements.