

## AUDIT COMMITTEE CHARTER

### CAUTIVO MINING INC.

#### I. MANDATE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Cautivo Mining Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The external auditors will report directly to the Committee and the Committee shall have direct communication channels with the external auditors of the Corporation. The Committee’s mandate and responsibilities are to:

- recommend to the Board the external auditors to be nominated and the compensation of such auditors oversee and monitor the work and performance of the Corporation's external auditors, including meeting with the external auditors and reviewing and recommending all renewals or replacements of the external auditors and their remuneration;
- pre-approve all non-audit services to be provided to the Corporation by the external auditors;
- review the financial statements and management's discussion and analysis (MD&A) and annual and interim financial results press releases of the Corporation;
- oversee the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures; and
- provide oversight to any related party transactions entered into by the Corporation.

#### II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- set and pay the compensation for advisors employed by the Committee; and
- communicate directly with the external auditors.

#### III. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including those of all applicable securities regulatory authorities.

The Committee shall be composed of three directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. A minimum of two members of the Committee present either in person or by telephone shall constitute a quorum.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

Each member of the Committee shall be “financially literate” and a majority of the members of the Committee shall be “independent” (as each such term is defined in Multilateral Instrument 52-110). At least one member of the Committee shall have accounting or related financial expertise.

The Committee shall meet at least quarterly, as circumstances dictate or as may be required by applicable legal or listing requirements.

Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

#### **IV. RESPONSIBILITIES**

The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with international financial reporting standards and report thereon to the Board and recommend to the Board whether or not same should be approved, prior to their being filed with the appropriate regulatory authorities.

The Committee shall also review the interim financial statements.

The Committee shall oversee the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases before the Corporation publicly discloses this information.

The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, before the Corporation publicly discloses this information.

The Committee shall meet no less frequently than annually with the external auditors and to review accounting practices, internal controls and such other matters as the Committee deems appropriate (including the establishment of the independence of the external auditor). The Committee shall be directly responsible for overseeing the work of the external auditor.

The Committee shall establish procedures for:

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee shall annually make recommendations to the Board regarding the selection, appointment and fees of the independent auditors.

The Committee shall provide oversight to any related party transactions entered into by the Corporation.

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance or tax advice or any non-audit services the Committee, must first pre-approve any such non-audit services (however, the Committee may delegate such approval to one independent committee member if desired, subject to compliance with applicable laws). The Committee shall maintain a record of non-audit services approved by the Committee for each fiscal year and provide a report to the Board on an annual basis.

The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.