



## CHARTER OF THE AUDIT COMMITTEE OF KARBONATE MINERALS CORP

### 1. ROLE AND OBJECTIVE

The Board of Directors of Karbonate Minerals Corp (the "Corporation") has established the Audit Committee (the "Committee"), which reports to the Board. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's financial accounting and reporting process and internal controls.

In carrying out its duties, the Committee and its members shall make every effort to comply with all applicable legal, regulatory, and listing requirements, including those of any stock exchange on which the Corporation's shares are listed, the Canada Business Corporations Act (the "Act"), and all relevant securities regulatory authorities.

### 2. COMPOSITION

The Audit Committee (the "Committee") of Karbonate Minerals Corp (the "Corporation") shall consist of three or more directors appointed by the Board of Directors (the "Board") from time to time. To be eligible for membership, each director shall be independent and financially literate, as defined by applicable securities laws and exchange requirements for audit committee purposes. Additionally, each member of the Committee shall be capable of reading and comprehending the Corporation's financial statements, including its statement of financial position, income statement, cash flow statement, and any other relevant statements or notes.

The Committee members shall be appointed during a Board meeting held immediately after the annual shareholders' meeting. Each member shall serve until the appointment of a successor, unless the member resigns, is removed by the Board, or ceases to be a director of the Corporation. The Board may remove or replace any member at any time, and any vacancy may be filled by a vote of the majority of the Board.

If the Board does not designate the Chair of the Committee, the members of the Committee may elect a chair by majority vote. The Chair of the Committee shall be an independent director. If the Chair is absent from any meeting, the Committee shall select a member present to preside, and the Chair shall not have a casting vote.

The Committee shall appoint a secretary, who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the Committee meetings, and this role is typically filled by the Corporation's Secretary.

### 3. MEETINGS

1. The Committee shall convene at least once every quarter, as deemed appropriate by the Chair or a majority of its members, and as required by applicable legal or listing requirements. Meetings may also be called by the Independent Auditor or any Committee member in accordance with the Act.

2. The Chair of the Committee shall prepare or approve the agenda for each meeting in advance.

3. Notice of every meeting shall be given to each Committee member at least 48 hours before the scheduled time, and may be provided orally, in writing, by email, or by facsimile. A member may waive notice of a meeting, and attendance constitutes waiver unless the member attends for the purpose of objecting to the meeting's lawfulness.

4. A member may participate in meetings by conference telephone or other communication equipment, and is considered present at the meeting.

5. A quorum consists of a majority of Committee members present in person, by video-conference, by telephone, or a combination thereof. If a quorum is not present within one hour of the scheduled meeting, the meeting stands adjourned to the same time and place on the second business day following. If there is no quorum at the second adjourned meeting, the members present constitute a quorum.

6. While the CEO and CFO are expected to attend meetings, a portion of each meeting will be reserved for in-camera discussion without management present.

7. The Committee may invite other resource persons to attend meetings, including officers, directors, employees, and the Independent Auditor.

8. The Board may amend, rescind, or cancel these provisions at any time, with or without substitution.

9. The Committee has the right to determine who may be present at any meeting.

10. Minutes of Committee meetings shall be sent to all Committee members.

11. The Chair of the Committee shall periodically report the Committee's findings and recommendations to the Board.

12. Each Committee member must be financially literate and independent, as defined under applicable securities laws and exchange requirements for audit committee purposes. Members must be able to read and understand the Corporation's financial statements and any other relevant information.

13. Members are appointed by the Board and serve until a successor is appointed, unless they resign, are removed by the Board, or cease to be a director. Vacancies may be filled by a majority vote of the Board.

14. The Chair of the Committee is appointed by the Board or elected by the Committee, and must be independent. If the Chair is absent, the Committee will choose a presiding member, who has no casting vote.

15. Decisions are made by majority vote, with ties referred to the Board for resolution. A decision or determination signed by all Committee members is fully effective.

16. The Committee may exercise its powers and responsibilities as long as a quorum remains in office, even if a vacancy exists.

17. The Committee shall appoint a Secretary, who need not be a member or director, to keep minutes of meetings. The Secretary is typically the Secretary of the Corporation.

#### **4. RESOURCES AND AUTHORITY**

The Committee is entitled to interact with officers and employees of the Corporation and its subsidiaries, and to access any information about the Corporation and its subsidiaries that it deems necessary or useful to perform its duties and responsibilities.

The Committee is authorized to engage internal or external legal, accounting, or other advisors and resources at the Corporation's expense, as it considers appropriate.

The Committee has the power to communicate directly with the Independent Auditor.

#### **5. RESPONSIBILITIES**

##### **A. Duties of the Chair**

The Chair of the Committee is responsible for overseeing the Committee's operations and ensuring that it carries out its duties effectively. The Chair is required to provide leadership, chair meetings, and report to the Board following each meeting of the Committee. Additionally, the Chair is responsible for ensuring that the Committee meets on a regular basis, establishing meeting calendars and agendas, and ensuring that Committee materials are available to directors upon request. The Chair also acts as a liaison between the Committee and the Board, reporting to the Board on all proceedings and deliberations of the Committee. Other duties include reporting annually to the Board on the role and effectiveness of the Committee, promoting ethical and responsible decision-making by the Committee, and overseeing the Committee's resources and expertise.

## **B. Responsibilities of the Committee**

The Committee is authorized to conduct investigations related to its responsibilities and may request the attendance of the Independent Auditor, Corporation officers, or outside counsel at its meetings. The Committee has unrestricted access to the Corporation's books and records and has the authority to retain consultants or experts to assist in carrying out its duties. The Committee is responsible for reviewing the annual audited financial statements and interim financial statements, and for assessing significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditor. The Committee must ensure the integrity of the Corporation's internal controls and financial reporting procedures and assess the adequacy of procedures for reviewing the Corporation's public disclosure of financial information. Additionally, the Committee must meet annually with the Independent Auditor and the Chief Financial Officer or officer in charge of financial matters to review accounting practices and other relevant matters. The Committee must also oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.

## **Appendix A**

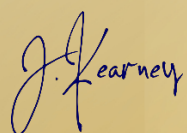
### **Policy for Approval of Non-Audit Services**

If Karbonate Minerals Corp requires services from the Independent Auditor for anything other than the annual audit (e.g. tax compliance, regulatory filing, due diligence, advice on various matters), the Chief Financial Officer must consult with the Audit Committee. The Committee has the authority to approve or disapprove such non-audit services. The Chair of the Committee can also approve or disapprove these services on behalf of the Committee and must inform the Committee of any preapprovals no later than the next meeting.

Before approving any non-audit services, the Committee (or the Chair of the Committee) must discuss with the Independent Auditor the nature of the services to be provided and not approve any services that would compromise the independence of the Independent Auditor. Services such as bookkeeping, financial information systems design and implementation, valuation services, actuarial services, internal audit outsourcing services, management functions, human resources, legal services, expert services unrelated to the audit, and any other services deemed impermissible by regulatory authorities would be considered as impairing the independence of the Independent Auditor.

The Chief Financial Officer must maintain a record of approved non-audit services for each fiscal year and provide a report to the Committee at every meeting, at least quarterly.

If the Independent Auditor has already commenced a non-audit service, and it was not recognized as such at the time of engagement, and the fees for the service are immaterial compared to the aggregate fees paid by the Corporation to the Independent Auditor during the financial year in which the services are provided, the service is exempted from the requirements for preapproval of non-audit services outlined in this Policy.

A handwritten signature in blue ink that reads "J. Kearney". The signature is stylized and cursive.

**John Kearney**

*Director*

**Karbonate Minerals Corp.**