
AUDIT COMMITTEE CHARTER

1. Purpose

The Audit Committee (the “**Committee**”) is an advisory committee of the Board of Directors (the “**Board**”) of Ensign Minerals Inc. (the “**Corporation**”). For the purposes of this Charter, the term “Corporation” includes the Corporation and any of its subsidiaries, and the term “Management” means the senior executive officers of the Corporation. Its primary function is to assist the Board in fulfilling its oversight responsibilities of:

- The Corporation’s financial reporting process;
- The Corporation’s system of internal control and management of financial risks;
- The Corporation’s audit process;
- The Corporation’s process for monitoring compliance with laws and regulations and its own code of business conduct.

In performing its duties, the Committee will maintain effective working relationships with the Board, Management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation’s business, operations and risks.

2. Committee Structure and Operations

The Committee will:

- Be composed of three members of the Board; a majority of whom shall be, in the determination of the Board, “independent” for the purposes of National Instrument 52-110 *Audit Committees*. Each Committee member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board;
- Be composed of members that are “financially literate” with 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 Corporation’s financial statements.
- Maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors.
- Annually be appointed by, and its members shall be subject to removal by, the Board. The Committee’s chairperson (the “**Chair**”) will be designated by the Board. The Chair will chair all regular sessions of the Committee and set the agenda for Committee meetings. In the absence of the Chair, the Committee shall select a chair for that meeting.

- Have authority to form, and delegate its responsibilities to, subcommittees in its discretion, provided that any action approved by a subcommittee shall be subsequently reported to the Committee and subject to ratification by the Committee.
- Have authority within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Corporation officers at meetings, as the Committee deems appropriate.
- From the Corporation receive appropriate funding, as determined by the Committee, for payment of compensation to the external auditors and to any legal or other advisers employed by the Committee, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- Be governed by the same rules regarding meetings as are applicable to the Board. The Committee will cause to be maintained adequate minutes of its proceedings and other records of its activities and shall regularly report to the Board concerning its activities;
- The Committee shall, at least annually, conduct an evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation shall also include a review of the adequacy of this Charter and shall recommend to the Board any revisions to this charter deemed necessary or desirable, although the Board shall have the sole authority to amend this Charter. The performance evaluation shall be conducted in such a manner as the Committee deems appropriate.

3. Committee Authority and Responsibilities

The Committee will:

- Oversee the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation.
- Review with management its philosophy with respect to controlling corporate assets and information systems, the staffing of key functions and its plans for enhancements.
- Review the terms of reference and effectiveness of any internal audit process, and the working relationship between internal financial personnel and the external auditor.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements, reviewing with management and the external auditor where appropriate.
- Review any legal matters which could significantly impact the financial statements with outside counsel whenever deemed appropriate.
- Review the annual financial statements and the results of the audit with management and the external auditors prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.
- Review the interim financial statements with management prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.

- Review all public disclosure concerning audited or unaudited financial information before its public release and approval by the Board, including management's discussion and analysis, financial information contained in any prospectus, private placement offering document, annual report, annual information form, takeover bid circular, and any annual and interim earnings press releases, and determine whether they are complete and consistent with the information known to Committee members.
- Assess the fairness of the financial statements and disclosures, and obtain explanations from management on whether:
 - (i) Confidential actual financial results for the financial period varied significantly from budgeted or projected results;
 - (ii) Generally accepted accounting principles have been consistently applied;
 - (iii) There are any actual or proposed changes in accounting or financial reporting practices;
 - (iv) There are any significant, complex and/or unusual events or transactions such as related party transactions or those involving derivative instruments and consider the adequacy of disclosure thereof.
- Determine whether the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- Ascertain whether any significant financial reporting issues were discussed by management and the external auditor during the fiscal period and the method of resolution.
- Review and resolve any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Recommend to the Board the selection of the firm of external auditors to be proposed for election as the external auditors of the Corporation.
- Review and approve the proposed audit plan and the external auditors' proposed audit scope and approach with the external auditor and management and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Explicitly approve, in advance, all audit and non-audit engagements of the external auditors; provided, however, that non-audit engagements may be approved pursuant to a pre-approval policy established by the Committee that (i) is detailed as to the services that may be pre-approved, (ii) does not permit delegation of approval authority to the Corporation's management, and (iii) requires that the delegatee or management inform the Committee of each service approved and performed under the policy. Approval for minor non-audit services is subject to applicable securities laws.
- If it so elects, delegate to one or more members of the Committee the authority to grant such pre-approvals. The delegatee's decisions regarding approval of services shall be reported by such delegatee to the full Committee at each regular Committee meeting.

- Subject to the grant by the shareholders of the authority to do so, if required, review the appropriateness and reasonableness of the compensation to be paid to the external auditors and make a recommendation to the Board regarding such compensation.
- Oversee the independence of the external auditors. Obtain from the external auditors a formal written statement delineating all relationships between the external auditors and the Corporation. Actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Review the performance of the external auditors, and in the event of a proposed change of auditor, review all issues relating to the change, including the information to be included in any notice of change of auditor as required under applicable securities laws, and the planned steps for an orderly transition.
- Review the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow-up to any identified weakness.
- Review the evaluation of internal controls and management information systems by the external auditor, and, if applicable, the internal audit process, together with management's response to any identified weaknesses and obtain reasonable assurance that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.
- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Review the process under which the Chief Executive Officer and the Chief Financial Officer evaluate and report on the effectiveness of the Corporation's design of internal control over financial reporting and disclosure controls and procedures.
- Obtain regular updates from management and the Corporation's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- Establish a procedure for the:
 - (i) confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters,
 - (ii) receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Review and assess the adequacy of insurance coverage, including directors' and officers' liability coverage.

- Perform other functions as requested by the full Board.
- If it deems necessary, institute special investigations and, if it deems appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

4. Meetings

- The Chair of the Committee will have the responsibility and authority for the conduct of Committee procedures and related information flow, consistent with current policies and protocols established by the Board;
- A portion of each meeting will be scheduled for independent sessions to allow for full and candid discussions without members of Management present.
- The Committee shall meet quarterly or more frequently as circumstances require. The Committee may ask members of Management or others to attend meetings or to provide information as necessary. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary. In addition, the Committee or, at a minimum the Chair, may meet with the Corporation's external corporate counsel to discuss the Corporation's Committee policies and practices;
- Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine that are present in person or by telephone conference. A resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee;
- Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present or by consent resolution in writing signed by each member of the Committee. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- Meetings of the Committee shall be held from time to time as the Committee or the Chair of the Committee shall determine upon 48 hours notice to each of its members. The notice period may be waived by a quorum of the Committee.

Approved by the Board on October 14, 2021