

TREVALI MINING CORPORATION

(the “Company”)

AUDIT COMMITTEE CHARTER

I. PURPOSE

Senior management, as overseen by the Board of Directors (the “**Board**”) of the Company, has the primary responsibility for the Company’s financial reporting, accounting systems and internal controls. The Audit Committee (the “**Committee**”) is a committee of the Board established to assist the Board in fulfilling its oversight responsibilities relating to:

1. the Company’s accounting and financial reporting processes and systems of internal accounting and financial controls;
2. the timelines, quality and integrity of the Company’s financial statements;
3. the Company’s compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues; and
4. the independence and performance of the Company’s external auditor.

II. COMPOSITION, PROCEDURES AND ORGANIZATION

- A. The Board shall appoint the members and the Chair of the Committee each year for a term of one year and may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Committee members may serve any number of consecutive terms.
- B. The position description for the Chair of the Committee is attached as Schedule “A” to this Charter.
- C. The Committee shall consist of at least three members of the Board, all of whom shall be independent in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada and the stock exchanges on which the Company’s securities are listed, including without limitation the Toronto Stock Exchange, subject to any exemptions provided thereunder.
- D. All members of the Committee shall be, in the determination of the Board, “financially literate”, as that term is defined by National Instrument 52-110 – *Audit Committees*, as amended from time to time.
- E. The Chair of the Committee shall, in consultation with other members of the Committee, management and the external auditor, as necessary, establish the agenda for the Committee’s meetings. The agenda and information concerning the business to be conducted at each Committee meeting shall be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review and discussion.
- F. The Committee shall have the power, authority and discretion delegated to it by the Board, which shall not include the power to change the membership of, or fill vacancies in, the Committee.
- G. Notice of every meeting of the Committee shall be given to the external auditor, who shall be entitled to attend and be heard thereat.

- H. The external auditor shall be entitled to communicate directly with the Chair of the Committee.
- I. The Committee shall conform to the regulations which may from time to time be imposed upon it by the Board. The Board shall have the power at any time to revoke or override the authority given to, or acts done by, the Committee except as to acts done before such revocation or act of overriding.
- J. At the invitation of the Committee Chair, one or more officers, employees, consultants or advisors of the Company may, or if required by the Committee, shall, attend a meeting of the Committee.
- K. The Committee shall meet as often as required to fulfil its duties and at least four times each year on such dates and at such locations as determined by the Chair of the Committee.
- L. The Committee shall hold an in-camera meeting with the external auditor at least once per year.
- M. The Chief Financial Officer (the “CFO”) shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the Committee Chair.
- N. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. Questions arising shall be determined by a majority of votes of the members of the Committee present, and in the case of an equality of votes, the Chair shall not have a second or casting vote.
- O. The Committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose.
- P. A resolution approved in writing by all of the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- Q. The Committee shall have unrestricted and unfettered access to all Company facilities, personnel and documents and to the Company’s external auditor and legal counsel, and shall be provided with the resources necessary to carry out its responsibilities.

III. DUTIES AND RESPONSIBILITIES

Without limitation to the foregoing, the following are the primary duties and responsibilities of the Committee:

- A. Financial Information
 - 1. make the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report and performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor;

2. review the external auditor's proposed audit plan, including:
 - (a) the auditor's engagement letter;
 - (b) the reasonableness of the estimated audit fees;
 - (c) the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with the internal financial team and key deliverables;
 - (d) reliance and testing of internal control and internal audit;
 - (e) involvement of other firms or branches of the external auditor; and
 - (f) the external auditor's resources scheduled for executing the plan;
 3. review the results of the external audit, including:
 - (a) the post-audit management letter, together with management's response thereto;
 - (b) the form of the audit report;
 - (c) any other related audit engagements;
 - (d) non-audit services performed by the external auditor;
 - (e) resolution of any disagreements between management and the external auditor regarding financial reporting;
 - (f) assessment of the auditor's performance; and
 - (g) meeting with the external auditor to discuss pertinent matters, including the quality of accounting personnel;
 4. review all public disclosure of the Company's financial information before the Company publically discloses such information;
 5. review the annual and quarterly financial statements and related matters, and recommend their approval to the Board after discussing with management matters such as the selection of accounting policies, major accounting judgements, accruals and estimates;
 6. review all public disclosure containing audited or unaudited financial information before release, including any prospectus, annual information form, annual report, interim report, management's discussion and analysis (the "MD&A") and press releases which contain financial information about the Company;
- B. Interim Financial Statements
1. obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external auditor;
 2. review, or engage the external auditor to review, the quarterly interim financial statements;



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3. obtain reasonable assurance from management and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of audited and unaudited financial information and periodically assess the adequacy of those procedures;

C. Internal Controls and Risk Management

1. establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting practices;
2. obtain reasonable assurance from discussions with, and/or reports from, management, and reports from the external auditor that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;
3. direct the external auditor's examinations to particular areas;
4. request the external auditor to undertake special examinations (e.g., review compliance with conflict of interest policies);
5. review control weaknesses identified by the external auditor, together with management's response thereto;
6. review the appointments of the CFO and key financial executives;
7. review the processes that support the Chief Executive Officer's (the "CEO") and the CFO's certification regarding internal controls over financial reporting ("ICFR") and be satisfied that they constitute a reasonable approach and are diligently performed;
8. review all design or operational weaknesses in ICFR identified in these processes that could have a material impact on the accuracy and adequacy of the Company's financial reporting;
9. review how management assessed each weakness and decided on whether it should be disclosed in the MD&A or not;
10. review the completeness and accuracy of the disclosures provided in the MD&A;
11. review, with advice from the external auditor and legal counsel as necessary, the proposed course of action for the CEO and the CFO signing of the certificates and consultation with the appropriate securities regulators when unremedied ICFR design weaknesses are disclosed in the MD&A;
12. in consultation with the Company's CFO, establish standards and procedures with respect to the investment of the Company's idle funds;
13. review and approve disclosed remediation plans;
14. review and approve related party transactions;

D. Anti-Bribery and Anti-Corruption

1. discuss the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk;
2. through the receipt of regular reports by management, review and monitor the anti-bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti-corruption and anti-bribery issues;
3. receive and review reports from management on any non-compliance with the anti-corruption or anti-bribery policies of the Company;
4. in the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and ask the Company's Disclosure Committee to determine the Company's disclosure obligations; and
5. in conjunction with the Board, periodically conduct an internal audit for compliance with the various elements of the Company's anti-bribery and anti-corruption compliance program and test for substantive compliance. This audit may also include the use of an external auditor that specializes in anti-corruption audits.

IV. GENERAL

- A. The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall, in consultation with management, have the sole authority to retain and terminate any such consultants or advisors, including the authority to approve the fees and other retention terms for such persons.
- B. In addition to the foregoing, the Committee will:
 1. assess the Committee's performance of the duties specified in this Charter and report its findings to the Board;
 2. report to the Board following each meeting of the Committee on the major discussions and decisions made by the Committee;
 3. review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board; and
 4. perform such other duties as may be assigned to the Committee by the Board from time to time or as may be required by applicable stock exchanges, regulatory authorities or legislation.
- C. The Company is party to an Investor Rights and Governance Agreement (the "**IRG Agreement**") with Glencore International AG ("**Glencore**"), pursuant to which Glencore has certain rights, including, without limitation, with respect to nomination of directors and appointments to committees of the Board. As per the IRG Agreement, if any provision of this Charter conflicts with any provision of the IRG Agreement, the IRG Agreement shall prevail.
- D. The function of the Committee is one of oversight. While the Committee has the duties and responsibilities set forth in this Charter, members of the Committee are not employees of the



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Company and are entitled to rely on the integrity of the Company's management. The Committee's responsibilities are set out in Section III of this Charter. Therefore, it is the duty of the Company's management and not the duty of the Committee to:

1. ensure that the Company complies with its financial reporting, accounting systems and internal controls;
2. ensure that the Company complies with laws, regulations or other obligations; and
3. take any action or assume any responsibility for any violation of such laws, regulations or other obligations or otherwise take any remedial action connected therewith.

**SCHEDULE “A”
TREVALI MINING CORPORATION
(the “Company”)**

**POSITION DESCRIPTION FOR THE
CHAIR OF THE AUDIT COMMITTEE**

I. PURPOSE

The Chair of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company shall be an independent Director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company.

II. WHO MAY BE CHAIR

- A. The Chair will be selected from amongst the independent Directors of the Company who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.
- B. The Chair will be selected annually at the organizational meeting of the Board, and will serve for a one-year term.

III. RESPONSIBILITIES

Without limitation to the foregoing, the following are the primary responsibilities of the Chair:

- 1. chair all meetings of the Committee in a manner that promotes meaningful discussion;
- 2. ensure adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;
- 3. together with the Chair of the Board, the Chief Financial Officer and the Company’s external auditor, create and monitor a work plan for the Committee;
- 4. provide leadership to the Committee to enhance the Committee’s effectiveness;
- 5. provide information to the Board relative to the Committee’s issues and initiatives and review and submit to the Board an appraisal of the Company’s independent auditor and any internal auditing functions;
- 6. ensure that the Committee works as a cohesive team with open communication, as well as open lines of communication among the independent auditor, financial and senior management and the Board for financial and control matters;
- 7. ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
- 8. ensure that the Committee serves as an independent and objective party to monitor the Company’s financial reporting processes and internal control systems, as well as to monitor the relationship between the Company and the independent auditor to ensure independence;



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9. ensure that procedures are in place to assess the audit activities of the independent auditor and any internal audit functions;
10. ensure that procedures are in place to review the Company's public disclosure of financial information and assess the adequacy of such procedures periodically;
11. ensure clear hiring policies are put in place for partners and employees of the external auditor;
12. ensure procedures are in place for dealing with complaints received by the Company regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters; and
13. management of the Committee, including:
 - (a) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including Committee structure and composition, scheduling, and management of meetings;
 - (b) preparing the agenda for the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, format and detail;
 - (c) ensuring Committee meetings are appropriate in terms of frequency, length and content;
 - (d) obtaining and reviewing the annual report from the independent auditor with the Committee, and arranging meetings with the external auditor and financial management of the Company to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (e) overseeing the Committee's participation in the Company's accounting and financial reporting processes and the audits of its financial statements;
 - (f) ensuring that the external auditor reports directly to the Committee, as representatives of the Company's shareholders; and
 - (g) annually reviewing with the Committee its own performance.