



TOREX STATEMENT OF POLICY AND PROCEDURE	
Department:	<b>CORPORATE</b>
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Reviewed by:	Audit Committee Corporate Governance and Nominating Committee
Approved by:	Board of Directors

## **TOREX GOLD RESOURCES INC.**

### **Mandate of the Audit Committee**

#### **Purpose**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Torex Gold Resources Inc. (the “**Corporation**”) is appointed by the Board to assist the Corporation and the Board in fulfilling their respective obligations relating to: (i) the integrity of the internal financial controls and financial reporting of the Corporation, (ii) compliance with legal and regulatory requirements regarding financial reporting; (iii) the external auditor's qualifications, independence and performance; (iv) oversight of corporate conduct relating to the internal controls and financial reporting; (v) the performance of internal audit functions; and (vi) oversight of financial risk and information technology risk management.

#### **Committee Operating Requirements and Guidelines**

1. The Committee follows the requirements and guidelines in the Committee Operating Requirements and Guidelines.
2. The Committee shall have the following in addition to the authorities set out in the Committee Operating Requirements and Guidelines:
  - (a) communicate directly with the internal auditor (or other personnel responsible for the internal audit function of the Corporation) and the independent auditor of the Corporation (the “**Independent Auditor**”) and other assurance providers;
  - (b) request the Independent Auditor or Internal Auditor to attend any meeting of the Committee; and
  - (c) have unrestricted access to the books and records of the Corporation.

#### **Composition**

3. The Committee shall be composed of three or more directors, as designated by the Board from time to time. Each member of the Committee shall be independent within the meaning of National Instrument 52-110 – *Audit Committees*, and financially literate within the meaning of Applicable Laws having 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 be reasonably be expected to be raised by the financial statements of the Corporation.

#### **Frequency of Meetings**

4. The Committee shall meet at least four times in each financial year of the Corporation. The Committee shall meet otherwise at the discretion of the Chair or a majority of the members of the Committee, or as may be required by Applicable Laws.

## **Chair Responsibilities and Duties**

5. The Chair will consider complaints covered by the Whistleblower Policy, and if the Chair determines appropriate, will launch and oversee an investigation of the violation or suspected violation of the Code of Business Conduct and Ethics of the Corporation (the “**Code**”) or as defined in the Whistleblower Policy, and promptly report to the Committee and the Board any complaint that may have material consequences for the Corporation and, for each financial quarter of the Corporation, the Chair should report to the Committee and to the Independent Auditor, the aggregate number, the nature and the outcome of the complaints received and investigated under the Whistleblower Policy.
6. The Chair may pre-approve non-audit services provided by the Independent Auditor up to a maximum amount of C\$50,000 per engagement. The Chair shall report such engagement(s) to the Committee at the next meeting of the Committee.
7. Additional responsibilities and duties of the Chair are set out in the section titled Committee Chair Position Description in the Committee Operating Requirements and Guidelines.

## **Responsibilities and Duties**

The responsibilities and duties of the Committee are:

### ***Financial Accounting, Internal Controls and Reporting Process***

8. Review any management report on, and assessing the integrity of, the internal controls over financial reporting of the Corporation and monitoring the proper implementation of such controls.
9. Review and report to the Board on, or if mandated by the Board, approving, the quarterly unaudited financial statements, management’s discussion and analysis (“**MD&A**”), press release and other financial disclosure related thereto that is required to be reviewed by the Committee pursuant to Applicable Laws.
10. Review and report to the Board on the annual audited financial statements, the MD&A, press release and other financial disclosure related thereto that is required to be reviewed by the Committee pursuant to Applicable Laws.
11. Monitor the conduct of the audit function.
12. Meet with, when considered advisable to do so and in any event no less frequently than annually, the Independent Auditor, the Chief Financial Officer (the “**CFO**”), the Vice President, Risk (who leads the internal audit (“**IA**”) function of the Corporation), and any other executive officer or employee of the Corporation with whom the Committee wishes to meet, to review accounting principles, practices, judgments of management, internal controls, and internal audit matters, and such other matters as the Committee considers appropriate.
13. Review any post-audit or management letter containing the recommendations of the Independent Auditor and management’s response thereto, and monitoring the subsequent follow-up to any identified weaknesses.

14. Review any new or pending developments to general accounting and reporting standards that may affect the Corporation's financial statements.

#### ***Public Disclosure***

15. Review and discuss with executive officers of the Corporation any cost guidance and guidance being provided on the expected future financial results and performance of the Corporation, and provide its recommendations on such guidance to the Board.
16. Review from time to time the procedures which are in place for the review of the public disclosure by the Corporation of financial information extracted or derived from the financial statements of the Corporation and periodically assess the adequacy of such procedures.

#### ***Borrowings, Hedging and Investments***

17. Receive quarterly reports regarding the status of borrowings and covenants.
18. Approve hedging and investment policies.

#### ***Tax Arrangements***

19. Periodically, receive reports from management on tax matters, including tax assessments, that could have a material effect on the Corporation's financial position or operating results.

#### ***Information Technology***

20. Oversee the Corporation's cybersecurity program, including receiving a report each quarter on information security developments, updates on threats, incidents and mitigation efforts, and the Corporation's approach to cybersecurity education and awareness.

#### ***Risk***

21. Inquire of the executive officers and the Independent Auditor as to the significant risks or exposures, both internal and external, to which the Corporation is subject, including without limitation, risks associated with tax, hedging, insurance, accounting, cybersecurity, information services and systems, use of artificial intelligence, financial controls and management reporting, and review the actions which the executive officers have taken to minimize such risks.
22. Oversee the Executive Officers' management of the material risks assigned to the Committee in the Corporation's enterprise risk profile.

#### ***Corporate Conduct***

23. Ensure that there is an appropriate standard of corporate conduct relating to the internal controls and financial reporting of the Corporation.

24. Establish procedures for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters; and
  - (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
25. Review the actions taken by the senior officers of the Corporation to ensure compliance with the Code, the results of the confirmation and responses to any violation of the Code.
26. If deemed appropriate by the Committee, investigations of suspected violations of the Code may be referred to the Corporate Governance and Nominating Committee.
27. Monitor the disclosure of the Code, any proposed amendments to the Code and any waivers to the Code granted by the Board.
28. Review the policies and procedures instituted to ensure that any departure from the Code by a director or senior officer of the Corporation which constitutes a “material change” within the meaning of Applicable Laws is appropriately disclosed in accordance with Applicable Laws.

***Independent Auditor***

29. Recommend to the Board, for appointment by shareholders, a firm of external auditors to act as the Independent Auditor and monitor the independence and performance of the Independent Auditor. The Committee shall arrange and attend, as considered appropriate and at least annually, a private meeting with the Independent Auditor and shall review and approve the remuneration of such Independent Auditor within the pre-approved fee threshold or such other amount approved by the Board.
30. Ensure that the lead audit partner at the Independent Auditor is changed every seven years.
31. Resolve any otherwise unresolved disagreements between the senior officers of the Corporation and the Independent Auditor regarding the internal controls or financial reporting of the Corporation.
32. Pre-approve all audit and non-audit services not prohibited by law, including Applicable Laws, to be provided by the Independent Auditor. The Committee should review the proposed fee thresholds for such services and make a recommendation on the fee thresholds for audit services to the Board for approval.
33. Review the audit plan of the Independent Auditor, including the scope, procedures and timing of the audit.
34. Review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit.

35. Obtain timely reports from the Independent Auditor describing critical accounting policies and practices applicable to the Corporation, the alternative treatment of information in accordance with International Financial Reporting Standards that were discussed with the CFO, the ramifications thereof, and the Independent Auditor's preferred treatment, and should review any material written communications between the Corporation and the Independent Auditor.
36. Review the fees paid by the Corporation to the Independent Auditor in respect of audit and non-audit services on an annual basis.
37. Review and approve from time to time the Corporation's hiring policy regarding partners, employees and former partners and employees of the present and any former Independent Auditor.
38. Monitor and assess the relationship between the senior officers of the Corporation and the Independent Auditor, and monitor the independence and objectivity of the Independent Auditor.

#### ***Internal Audit***

39. Governance of the internal audit function, including:
  - (a) Review with the CFO the appointment, retention, and replacement of the Vice President, Risk and the organizational structure of the IA function.
  - (b) Review with the CFO the responsibilities of the Vice President, Risk beyond internal audit and understand any potential impairments to the function's independence.
  - (c) Periodically review and approve the IA Charter, and provide input on strategic plans, objectives, performance measures, and outcomes.
  - (d) Review and approve the proposed risk-based IA Plan, including resources, and receive regular reports on the progress of the IA Plan and identification of significant matters, the development and implementation of management action plans, and if applicable, the results of any special investigations.
  - (e) Inquire whether any evidence of fraud has been identified during IA engagements and evaluate necessary actions.
  - (f) Approve the scope and frequency of external quality assessments and review the results, monitoring the implementation of action plans.
  - (g) Periodically review with the Vice President, Risk any significant difficulties, disagreements with management, or scope restrictions encountered.

#### ***Other Responsibilities***

40. Review with management, the Independent Auditor and, if necessary, with external legal counsel, any litigation, claim or other contingency, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements.

41. The Committee should perform any other activities consistent with this mandate and Applicable Laws as the Committee or the Board considers advisable.

***Policy Oversight***

42. The Committee has the responsibility to oversee, and periodically, review and make recommendations to the Board regarding the following policies:

1. Code of Business Conduct and Ethics;
2. Whistleblower Policy;
3. Anti-bribery and Anti-Corruption Policy;
4. Hedging Policy;
5. Investment Policy;
6. Monetary Authority Policy;
7. Internal Audit Charter;
8. Such other policies as may be delegated by the Board.

**Reviewed and Approved: May 7, 2025**