



## CHARTER OF THE AUDIT AND RISK COMMITTEE

### 1. PURPOSE

The Audit and Risk Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Patriot Battery Metals Inc. (“**Patriot**”). The primary objectives of the Committee are to (i) monitor the quality and integrity of Patriot’s accounting and financial reporting systems, disclosure controls and procedures and non-financial internal controls, external audit and (ii) ensure that an appropriate risk assessment process is in place to identify, assess and manage the principal risks of Patriot’s business and strategy, including all relevant political, financial, environmental, social, community, legal and governance risks.

### 2. STRUCTURE

- **Membership.** The members of the Committee shall be appointed by the Board, as required under National Instrument 52-110 – Audit Committees, as it may be amended or replaced from time to time, from among the directors of Patriot and shall consist of not less than three (3) members, all of whom shall be independent (as defined under applicable securities laws) and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee. The members of the Committee and its chair (the “**Chair**”) shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair among themselves by majority vote of the full Committee membership. Committee member may resign from the Committee without resigning from the Board, but a Committee member shall tender his or her resignation from the Committee upon ceasing to be a member of the Board.
- **Qualifications.** Each member of the Committee shall be “financially literate” (which is defined as 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 Patriot’s financial statements).
- **Vacancies.** The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
- **Delegation.** The Committee may delegate any or all of its functions to any of its members or other qualified persons, from time to time as it sees fit.

### 3. MEETINGS

- **Meetings.** The Committee shall meet at least once every quarter and as necessary. The Committee should meet within 45 days following the end of the first three financial quarters of the Corporation and shall meet within 90 days following the end of the fiscal year of the Corporation.
- **Quorum.** A quorum shall be a majority of the members of the Committee or such greater number as the Committee shall determine by resolution. Any member of the Committee may participate in a meeting of the Committee by telephone or by other communications medium, 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. If a quorum is not reached within one hour of the time planned

for a meeting of the Committee, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting and shall be at the same place.

- **Procedure.** Decisions will be based on a majority of votes of the members present, and in case of an equality of votes, the Chair does not have a second or casting vote. In the absence of the Chair or appointed delegate at a meeting of the Committee, the members shall elect among themselves by majority vote a person to chair the meeting. The Committee may invite any executive management team member or other individuals, including external third parties, to attend meetings of the Committee or to provide information, as they consider appropriate.
- **Reporting.** The Committee shall keep minutes of its meetings which shall be made available for review by the Board. The Committee may, from time to time, appoint any person who need not be a member to act as secretary at any meeting.
- **Expectations of the Committee.** Committee members are expected to demonstrate a high level of professionalism in discharging their responsibilities. They are expected to attend the meetings and to rigorously prepare for and actively participate in such meetings. They should review all meeting materials in advance.

#### 4. RESPONSIBILITIES

The responsibilities of the Committee include the following: AUDIT FUNCTIONS

**Overseeing Financial Reporting.** The Committee shall monitor and review the quality and integrity of Patriot's financial reporting process, both internal and external, and internal controls which includes:

- Reviewing the financial statements, management's discussion and analysis and annual and interim earnings press releases before submission to the Board, and recommending their approval focusing particularly on:
  - any changes in accounting policies and practices;
  - major areas of importance;
  - significant adjustments, accounting and financial reporting issues resulting from the external audit;
  - compliance with accounting policies and standards; and
  - compliance with legal requirements.
- Ensuring that adequate procedures are in place for the review of Patriot's public disclosure of financial information extracted or derived from Patriot's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures;
- Establishing procedures for the receipt, retention and treatment of complaints received by Patriot regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- Reviewing effectiveness of Patriot's disclosure controls and procedures; and

- Reviewing Patriot's compliance with applicable legal and regulatory requirements relating to internal controls.

**Monitoring External Auditors.** The Committee will monitor the performance of the external auditors. Specifically, this includes:

- Recommending to the Board and Patriot's shareholders the appointment and, if appropriate, the removal of the external auditor, evaluating and remunerating them, and monitoring their qualifications, performance and independence;
- Obtaining and reviewing an annual report prepared by the external auditor describing: internal quality-control procedures; any material issues raised by their most recent internal quality-control review of their firm, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by them, to the extent available, and any steps taken to deal with any such issues;
- Approving and overseeing the disclosure of all audit, review and attest services provided by the external auditors, determining which non-audit services the external auditors are prohibited from providing, and pre-approving and overseeing the disclosure of permitted non-audit services by the external auditors to Patriot or any of its subsidiaries, in accordance with applicable laws and regulations;
- Reviewing at least annually, the formal written statement from the external auditors stating all relationships the external auditors have with Patriot and confirming their independence, and holding discussions with the external auditors as to any relationship or services that may impact their objectivity or independence;
- Reviewing hiring policies regarding partners, employees and former partners and employees of Patriot's present and former external auditors;
- Considering and reporting to the Board the implementation of any recommendations of the external auditor in relation to accounting and financial controls;
- Discussing with the external auditor before the audit commences the nature and scope of the audit, and ensuring coordination between the external auditor and Patriot's accounting staff;
- Meeting with the external auditors in each financial period without management being present and at any other time the Committee considers appropriate;
- Discussing issues and reservations arising from the audits with the external auditor, in the absence of management where necessary; and
- Reviewing any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.

#### A. RISK MANAGEMENT

The Committee has the following duties in relation to risk management:

- Assessing and overseeing the internal processes for determining and managing key risk areas, particularly:
  - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
  - litigation and claims; and
  - relevant business risks other than those that are dealt with by other specific Board committees.
- Ensuring that Patriot has an effective enterprise risk management system and that major risks to Patriot are promptly reported to the Board;
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- Updating the risk profile periodically taking into account the emergence of new risks and presenting it to the Board for its consideration at least once a year;
- Monitoring management’s performance against Patriot’s risk management framework including whether it is operating within the risk appetite set by the Board;
- Making recommendations to the Board in relation to changes that should be made to Patriot’s risk management framework or the risk appetite set by the Board;
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- Receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- Reviewing any material incident involving fraud or a breakdown of Patriot’s risk controls and determining the action plans;
- Evaluating the process Patriot has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk such as unusual transactions;
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- Reviewing the adequacy of insurance coverage;
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- Leading all investigations of alleged violations or misconduct under Patriot’s Code of Ethics and Business Conduct.

## B. ASSESSMENT

Annually, the Committee will review its effectiveness in fulfilling its responsibilities and duties as set out in this Charter. The chair of the Board shall supervise the Committee’s annual performance assessment. Following each annual assessment, the Committee shall report to the Board on the adequacy of its mandate.

## 5. **ACCESS**

The Committee may consult independent legal counsel, external accounting advisors or other advisors to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee

obtaining appropriate external advice will be borne by Patriot. Members of the Committee have rights of access to Patriot's books and records to enable them to discharge their duties as Committee members. Such access shall be provided on a timely basis. In addition, the Committee is authorized by the Board to seek any information it requires from any employee, and all employees are directed to cooperate with any request made by the Committee. The Committee may also call private meetings with management or the external auditor as it considers necessary or appropriate to discharge its duties and responsibilities.

## **7. LIMITATIONS ON THE COMMITTEE'S DUTIES**

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

While maintaining an attitude of professional skepticism, members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit services provided to Patriot by the external auditor, (iv) financial statements of Patriot represented to them by a member of management or in a written report of the external auditor to present fairly the financial position of Patriot in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Committee is a committee of the Board and is not and shall not be deemed to be an agent of Patriot's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of Patriot or other liability whatsoever.