



FARADAY COPPER

FARADAY COPPER CORP AUDIT COMMITTEE CHARTER

(adopted by the Board of Directors and Audit Committee of the Corporation on June 22, 2022)

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Faraday Copper Corp (“**Faraday**”).

1.0 Purpose

The Committee oversees the accounting and financial reporting processes of Faraday and its subsidiaries and all audits and external reviews of the financial statements of Faraday on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of Faraday and its subsidiaries.

2.0 Composition and Procedures

2.1 The Committee shall be appointed annually by the Board and shall be composed of at least three members, each of whom must be a director of Faraday.

2.2 Each member of the Committee shall hold office as such until the next annual meeting of shareholders after his or her appointment, provided that any member of the Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Committee on ceasing to be a director.

2.3 Each Committee member must be independent, within the meaning of National Instrument 52-110 (“NI 52-110”).

2.4 Every Committee member must be financially literate, within the meaning of NI 52- 110.

3.0 Meetings

3.1 The times of and the places where meetings of the Committee will be held and the calling of and the procedure at those meetings shall be determined from time to time by the Committee, but in any event, the Committee will meet on a regular basis at least once every quarter; provided that notice of every such meeting shall be given to the Auditor (as defined in paragraph 4.1 below) of Faraday and that meetings shall be convened whenever requested by the Auditor or any member of the Committee in accordance with the Canada Business Corporations Act.

3.2 Two members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee, as they relate to the following matters, are as follows:

4.1 Appointment, Oversight and Compensation of Auditor

i. The Committee shall recommend to the Board:

- a. the auditor (the “Auditor”) to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for Faraday; and
- b. the compensation of the Auditor.

ii. In making such recommendations, the Committee shall evaluate the Auditor’s



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performance and review the Auditor's fees for the preceding year.

- iii. The Auditor shall report directly to the Committee.
- iv. The Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.
- v. The Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and Faraday or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor.

4.2 Non-Audit Services

All auditing services and non-audit services provided to Faraday or Faraday's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Committee. In no circumstances shall the Auditor provide any non-audit services to Faraday that are prohibited by applicable law or regulation.

4.3 Review of Financial Statements etc.

- i. The Committee shall review Faraday's:
 - a. interim and annual financial statements and Management's Discussion and Analysis, intended for circulation among shareholders; and
 - b. Annual Information Form only to the extent that it contains financial information or projections, and shall report on them to the Board.
- ii. The Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the Auditors have no reservations about such statements.
- iii. The Committee shall review changes in the accounting policies of Faraday and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on Faraday's financial reports, and report on them to the Board.

4.4 Review of Public Disclosure of Financial Information

- i. The Committee shall review Faraday's annual and interim press releases relating to financial results before Faraday publicly discloses this information.
- ii. The Committee must be satisfied that adequate procedures are in place for the review of Faraday's public disclosure of financial information extracted or derived from Faraday's financial statements, other than the public disclosure referred to in subsection 4.4(i), and must periodically assess the adequacy of those procedures. Compensation Policies and Practices

4.5 Review of the Annual Audit

- i. The Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.



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- ii. The Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.
- iii. The Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.
- iv. The Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.

4.6 Review of Quarterly Review Engagements (as applicable)

- i. The Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.
- ii. The Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.
- iii. The Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.

4.7 Internal Controls

- i. Management shall have responsibility for the design, implementation, and operation of disclosure controls & procedures and the internal controls over financial reporting (collectively "**Internal Control**") for Faraday and its subsidiaries.
- ii. The Committee shall have responsibility for oversight of management reporting and Internal Control for Faraday and its subsidiaries.
- iii. The Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.

4.8 Complaints and Concerns

The Committee shall adhere to Faraday's Whistleblower Policy procedures for:

- i. the receipt, retention and treatment of complaints received by Faraday regarding accounting, internal accounting controls, or auditing matters; and
- ii. the confidential, anonymous submission by employees of Faraday of concerns regarding questionable accounting or auditing matters.

4.9 Hiring Practices

The Committee shall review and approve Faraday's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of Faraday.



4.10 *Other Matters*

- i. The Committee shall review and monitor all related party transactions which may be entered into by Faraday.
- ii. The Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.
- iii. The Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.
- iv. The Committee shall **annually** review the adequacy of this Charter and recommend any changes to the Board.
- v. The Board may refer to the Committee such matters and questions relating to the financial position of Faraday and its affiliates as the Board from time to time may see fit.

5.0 **Rights and Authority of the Committee and Members Thereof**

5.1 The Committee has the authority:

- i. to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- ii. to set and require Faraday to pay the compensation for any advisors employed by the Committee; and
- iii. to communicate directly with the Auditor and, if applicable, Faraday's internal auditor.

5.2 The members of the Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of Faraday and its affiliates and to discuss those accounts and records and any matters relating to the financial position of Faraday with the officers and Auditor of Faraday and its affiliates, and any member of the Committee

6.0 **Miscellaneous**

Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of Faraday or members of the Committee. The purposes, responsibilities, duties and authorities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.