

ALACER GOLD CORP.

**AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS**

Terms of Reference

March 15, 2018

I. PURPOSE

The Audit Committee (the “**Committee**”) shall provide assistance to the Board of Directors (the “**Board**”) of Alacer Gold Corp. (the “**Corporation**”) in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are to:

- A. oversee the accounting and financial reporting processes of the Corporation, and the audit of its financial statements, including: (i) the integrity of the Corporation’s financial statements; (ii) the Corporation’s compliance with legal and regulatory requirements; and (iii) the independent auditors’ qualifications and independence;
- B. serve as an independent and objective party to monitor the Corporation’s financial reporting processes and internal control systems;
- C. review and appraise the audit activities of the Corporation’s independent auditors; and
- D. provide open lines of communication among the independent auditors, financial and senior management, and the Board for financial reporting and control matters, and meet periodically with management and with the independent auditors.

II. PROCEDURES AND ORGANIZATION

- A. The Committee shall consist of at least three Board members, all of whom shall be (i) independent directors,¹ and ii) financially literate,² in each case, in accordance with the requirements set forth in *National Instrument 52-110*. At least one member shall have

¹ An **independent director** is defined as a director who has no direct or indirect material relationship with the Corporation. A material relationship means a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Certain relationships are prescribed by *National Instrument 52-110* as material, including, without limitation, (i) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation, and (ii) a partner or executive officer of an entity providing paid accounting, consulting, legal, investment banking or financial advisory services to the Corporation, or anyone who has held such position during the past three years. In addition, the composition of the Audit Committee shall comply with the rules and regulations of the Toronto Stock Exchange and any other stock exchanges on which the shares of the Corporation are listed, subject to any waivers or exceptions granted by such stock exchanges.

² **Financially literate** means the ability to read and understand a set of financial statements that presents 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.

- accounting or related financial management expertise to qualify as a “financial expert”. A person will qualify as a “financial expert” if he or she possesses the following attributes:
- (i) an understanding of financial statements and generally accepted accounting principles used by the Corporation to prepare its financial statements;
 - (ii) an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
 - (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be included in the Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities;
 - (iv) an understanding of internal controls and procedures for financial reporting; and
 - (v) an understanding of audit committee functions.
- B. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the Committee Chair and members of the Committee for the ensuing year. It is desirable that at least one member of the previous Committee be carried over to any newly constituted Committee. Any member may be removed from the Committee or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director.
- C. The Secretary of the Corporation shall be the secretary of the Committee (the “**Secretary**”), unless otherwise determined by the Committee.
- D. In the absence of the Chair or Secretary at any meeting of the Committee, the members present at the meeting shall appoint one of their members to act as Chair of the Committee meeting and shall designate any director, officer or employee of the Corporation to act as Secretary.
- E. 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 hear each other.
- F. The Committee shall have access to such officers and employees of the Corporation, to the Corporation’s independent auditors, and to such information and records of the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- G. Meetings of the Committee shall be conducted as follows:
- (i) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chair of the Committee, one of which shall be to review the annual financial statements of the Corporation and at least three of which shall be to review the interim financial statements of the Corporation. Notice of meetings shall be given to each member not less than 48 hours before the time of the meeting. However, meetings of the Committee may be held without formal

notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting;

- (ii) notice of meeting may be given verbally or by letter, facsimile, email or telephone and need not be accompanied by an agenda or any other material. The notice shall specify the purpose of the meeting;
- (iii) the independent auditors shall receive notice of and be entitled to attend all meetings of the Committee; and
- (iv) the following management representatives shall be invited to attend all meetings, except those meetings deemed by the Committee as either executive sessions and private sessions with the independent auditors;
 - (a) Chief Financial Officer
 - (b) Other management representatives shall be invited to attend as determined by the Committee.

H. The independent auditors shall have a direct line of communication to the Committee through its Chair. The committee, through its Chair, may contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

I. The Committee shall take to the Board at its next regular meeting all such action it has taken since the previous report.

J. The Chair shall call and convene a meeting of the Committee at the request of the Chief Executive Officer, a member of the Committee, or the auditors of the Corporation.

K. Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chair shall be entitled to a second or deciding vote.

III. DUTIES AND RESPONSIBILITIES

A. The general duties and responsibilities of the Committee shall be as follows:

- (i) to review the annual consolidated financial statements of the Corporation, including the related notes, management's discussion and analysis thereto for the purpose of recommending approval by the Board prior to release;
- (ii) to assist the Board in the discharge of its fiduciary responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls;
- (iii) to provide oversight of the management of the Corporation in designing, implementing and maintaining an effective system of internal controls;
- (iv) to report periodically the Committee's findings and recommendations to the Board; and

- (v) annually review and revision of this Charter as necessary with the approval of the Board provided that this Charter may be amended and restated from time to time without the approval of the Board to ensure that the composition of the Committee and the Responsibilities and Powers of the Committee comply with the applicable laws and stock exchange rules.
- B. The duties and responsibilities of the Committee as they relate to the independent auditors shall be as follows:
- (i) to recommend to the Board a firm of auditors, established by the Committee to be independent, for recommendation to the shareholders of the Corporation for appointment by the Corporation;
 - (ii) to review the fee, scope and timing of the audit and other related services rendered by the independent auditors and recommend to the Board the compensation of the independent auditors;
 - (iii) to pre-approve all non-audit services to be provided to the Corporation by the independent auditors or, alternatively, to adopt specific policies and procedures for the engagement of non-audit services;³ and
 - (iv) to provide oversight of the work of the independent auditors and then to review with the independent auditors, upon completion of their audit:
 - (a) contents of their report;
 - (b) scope and quality of the audit work performed;
 - (c) adequacy of the Corporation's financial and auditing personnel;
 - (d) cooperation received from the Corporation's personnel during the audit;
 - (e) internal resources used;
 - (f) significant transactions outside of the normal business of the Corporation;
 - (g) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
 - (h) the non-audit services provided by the independent auditors; and
 - (i) "management" letters and recommendations and management's response and follow-up of any identified issues or weaknesses.

³ According to *Companion Policy 52-110CP to National Instrument 52-110 Audit Committees*, it may be sufficient for an audit committee to adopt specific policies and procedures for the engagement of non-audit services as a means of satisfying the requirement to pre-approve non-audit services where the pre-approval policies and procedures are detailed, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

- (v) to meet quarterly with the auditors in “in camera” sessions to discuss reasonableness of the financial reporting process, system of internal control, significant comments and recommendations and management’s performance.
 - (vi) at least annually, obtaining and reviewing a report prepared by the independent auditors describing (i) the auditors’ internal quality control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Corporation (to assess auditor independence); and
 - (vii) to review and approve the letter from Committee in the management information circular.
- C. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation shall be:
- (i) to review the appropriateness and soundness of the Corporation’s policies and practices with respect to internal auditing, insurance, accounting and financial controls, including through discussions with the Chief Executive Officer and Chief Financial Officer;
 - (ii) to review any unresolved issues between management and the independent auditors that could affect financial reporting or internal controls of the Corporation;
 - (iii) to review the appropriateness and soundness of the Corporation’s procedures for the review of the Corporation’s disclosure of financial information extracted or derived from its financial statements;
 - (iv) to establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
 - (v) to establish procedures for the confidential, anonymous submission by the Corporation’s employees of concerns regarding questionable accounting or auditing matters; and
 - (vi) to periodically review the Corporation’s financial and auditing procedures and the extent to which recommendations made by the staff or by the independent auditors have been implemented.
- D. The duties and responsibilities of the Committee as they relate to financial risk management shall be:
- (i) to inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such financial risk;

- (ii) to oversee and monitor management's documentation of the material financial risks that the Corporation faces and update as events change and risks shift;
 - (iii) to assess the steps management has taken to control identified financial risks to the Corporation;
 - (iv) to review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - (a) management's tolerance for financial risks;
 - (b) management's assessment of significant financial risks facing the Corporation;
and
 - (c) the Corporation's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
 - (d) to review with the Corporation's counsel, legal matters which could have a material impact on the financial statements.
- E. The duties and responsibilities of the Committee as they relate to non-financial risk management shall be:
- (i) review the risk identification and management process developed by management to confirm it is consistent with the Corporation's strategy and business plan; and
 - (ii) review management's assessment of risk at least annually and provide an update to the Board in this regard.
- F. Other responsibilities of the Committee shall be:
- (i) to review and approve the Corporation's interim financial statements, related notes, and management's discussion and analysis;
 - (ii) to review, appraise and report to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
 - (iii) to review any annual and interim profit or loss press releases before the Corporation publicly discloses such information;
 - (iv) to review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements, and consider recommendations for any material change to such policies;
 - (v) to review and approve the hiring policies of the Corporation regarding employees and former employees of the present and former independent auditors of the Corporation;

- (vi) to determine that the Corporation has implemented adequate internal control to ensure compliance with regulatory requirements and that these controls are operating effectively;
 - (vii) to develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board;
 - (viii) to review the Audit Committee Terms of Reference annually and recommend changes to the Corporate Governance and Nominations Committee; and
 - (ix) to review and oversee the Corporation's Whistleblower procedures;
- G. In the carrying out of its responsibilities, the Committee has the authority:
- (i) to engage independent counsel and other advisors at the expense of the Corporation, as may be appropriate in the determination of the Committee;
 - (ii) to set and pay the compensation for any advisors employed by the Committee; and
 - (iii) to communicate directly with the internal and external auditors.
- H. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, so long as the pre-approval is presented to the full Committee at its first scheduled meeting following such pre-approval.

IV. FORWARD SCHEDULE

The attached Schedule "A" provides a general planning guide for the Committee's annual activities.

**Schedule “A”
AUDIT COMMITTEE
ANNUAL ACTION ITEMS**

This schedule of agenda items is being provided to assist with planning Audit Committee meetings of Alacer Gold Corp. (the “Corporation”). It is not meant to be an exhaustive list of the responsibilities of the Audit Committee. The Audit Committee Terms of Reference continues to govern the Audit Committee.

Meetings Required: 4

Agenda Items	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Ongoing or as Needed
Review Annual Financial Statements and Related Documents & Recommend Approval by the Board	X				
Review independent auditors report	X	X	X	X	
Review the fee, scope and timing services rendered by the independent auditors and recommend to the Board the compensation of the independent auditors		X			
Pre-approve all non-audit services provided by the independent auditors or establish policies and procedures for such					X
Review and approve the Report from Audit Committee in the Management Information Circular	X				
Recommend to the Board the independent auditing firm to be recommended to the shareholders for appointment by the Corporation		X			
Meet with the independent auditors <i>in camera</i>	X	X	X	X	
Review and provide oversight of the Corporation’s system of internal controls	X	X	X	X	
Review the Corporation’s financial risks and oversee management’s risk mitigation framework	X	X	X	X	
Review and oversee the Corporation’s Whistleblower procedures	X	X	X	X	
Review the Corporation’s non-financial risks and oversee management’s risk mitigation framework and provide an update to the Board					X ¹



Review and approve Interim Financial Statements and Related Documents		X	X	X	
Review the Audit Committee Terms of Reference and recommend changes to the CGNC	X				X
Audit Committee Calendar of Meetings submitted to the Board					X

1. Given the current size of the Corporation, the review of the non-financial risks is conducted at the Board level.

X = Preferred quarter to perform the task