



MULTIVERSE



MULTIVERSE MINING and EXPLORATION PLC

INTERNAL AUDIT MANUAL



INTRODUCTION

The Audit Policies and Procedures Manual are for use in guiding our internal audit program.

The Manual provides guidance in the form of:

- Internal audit standards;
- Internal audit policies and procedures; and
- Internal audit charter.

All new staff is required to read for retention of the contents of this Manual.

MISSION STATEMENT

Internal Audit Unit will proactively and independently identify and assess key business risks and will be a catalyst for improving the quality of controls, operations, strategies, and plans on behalf of the staff of the Company.

GUIDING PRINCIPLES

To achieve our Mission, Internal Audit Unit will adhere to the following guiding principles:

- Maintain objectivity at all times; rely on business and professional judgment; and adhere to professional standards;
- Anticipate risks and opportunities for improvement; Develop a highly motivated professional staff who will contribute to a high level of quality controls and operations, and be sought by management for assignments and career opportunities;
- Maintain a strong partnership with the Board Audit Committee, management, and the external auditors to enhance our effectiveness.



THE AUDIT PROCESS

Although every audit assignment is unique, the audit process is similar for most engagements and normally consists of four stages: Preliminary Review, Field Work, Audit Report, and Follow-up.

Review- Auditee involvement is critical at each stage of the audit process. As in any special assignment, an audit results in a certain amount of time being diverted from a unit's usual routine.

One of our key objectives is to minimize this time and avoid disrupting the on-going activities.

AUDIT PROCESS

○ INFORM RELEVANT UNIT OF THE ROUTINE AUDIT

The relevant Unit is informed of the audit assignment through an internal memo from the Head of Audit Unit.

This memo communicates the scope and objectives of the audit and the auditor(s) assigned to the work.

○ Initial Meeting

During this meeting, the Auditee describes the unit or system to be reviewed, the organization, available resources (personnel, facilities, equipment, funds), and other relevant information.

The internal auditor meets with the senior officer directly responsible for the unit under review and any staff members he/she wishes to include. It is important that the Auditee identifies issues or areas of special concern that should be addressed.



PRELIMINARY REVIEW

First we gather information about the processes. We then review and evaluate the existing internal control structure and identify the fieldwork objectives. Finally, we plan the remaining audit steps necessary to achieve our objectives.

○ Preliminary Survey

In this phase the auditor gathers relevant information about the unit in order to obtain a general overview of operations. He/she talks with key personnel and reviews reports.

The most successful audit projects are those in which the Auditee and Internal Audit Unit have a constructive working relationship.

Our objective is to have the Auditee's continued involvement at every stage, so that they understand what we are doing and why we are doing it.

○ Internal Control Review

The auditor will review the unit's internal control structure, a process. In doing this, the auditor uses a variety of tools and techniques to gather and analyze information about the operation. The review of internal controls helps the auditor determine the areas of highest risk and design tests to be performed in the field work section.

○ Audit Program

Preparation of the audit program concludes the preliminary review phase. This program outlines the fieldwork necessary to achieve the audit objectives.

FIELD WORK

The field work concentrates on transaction testing and informal communications. It is during this phase that the auditor



determines whether the controls identified during the preliminary review are operating properly and in the manner described by the Unit. The field work stage concludes with a list of significant issues from which the auditor will prepare a draft of the audit report.

- **Transaction Testing**

After completing the preliminary review, the auditor performs the procedures in the audit program. These procedures usually test the major internal controls and the accuracy and propriety of the transactions.

- **Advice and Informal Communications**

As field work progresses, the auditor discusses any significant issues with the Unit.

Hopefully, the Unit can offer insights and work with the auditor to determine the best method of resolving the issue. Usually these communications are oral. However, in more complex situations, memos can be written in order to ensure full understanding by the operating unit and the auditor.

Our goal: No surprises.

- **Audit Summary**

Upon completion of the fieldwork, the auditor summarizes the audit issues, conclusions, and action to be taken (as agreed upon by both auditor and client) for the audit report discussion draft.

AUDIT REPORT

Our principal product is the final report in which we express our opinions, present the audit issues, and action to be taken for improvements. To facilitate communication and ensure that the final report is practical, Internal Audit Unit will discuss the rough draft with the affected Unit prior to issuing the final report.

- **Discussion Draft**

At the conclusion of field work, the auditor drafts the report. Internal audit unit thoroughly reviews the audit working papers and the discussion draft before it is presented to the client for comment. This discussion draft is prepared for the unit's operating management and is submitted for the client's review before the exit conference.

- **Exit Conference**

When audit unit has approved the discussion draft, The Unit meets with the relevant unit's Head to discuss the issues and text of the draft. At this meeting, the relevant unit comments on the draft to reach an agreement on the audit issues.

- **Draft Report**

The auditor then prepares a formal draft, taking into account any revisions resulting from the exit conference and other discussions. When the changes have been reviewed by audit management and the relevant unit, the draft report is issued.

- **Final Report**

Internal Audit unit prints and distributes the final report to Managing Director/CEO, the head of the operating unit audited and Audit Committee members of the Board.

Finally, as part of the Department's self-evaluation program, we ask clients to comment on the unit's performance. This feedback should prove to be very beneficial to us, and we can make changes in our procedures as a result of clients' suggestions.

AUDIT FOLLOW-UP

Within approximately one year of the final report, the Department will perform a follow-up review to verify the resolution of the issues noted in the report.

- **Follow-up Review**



Actions to be taken and the actions taken are reviewed in order to determine if the desired result was achieved on the audit issue. All unresolved issues will be discussed in the follow-up report.

- **Follow-up Report**

The review will be concluded with a follow-up report, which lists the actions taken by the client to resolve the original report issues. Unresolved issues will also appear in the follow-up report and will include a brief description of the issue, additional action to be taken, current condition; A discussion draft of each report with unresolved issues is circulated to the operating unit before the report is issued. The follow-up review will be circulated to the original report recipients.

THE PROCESS: A COLLABORATIVE EFFORT

During each stage in the audit process -- preliminary review, field work, audit report, and follow-up - operating units have the opportunity to participate. There is no doubt that the process works best when auditees and Internal Audit unit have a solid working relationship based on clear and continuing communication.

INTERNAL AUDIT UNIT CHARTER

MISSION

The mission of the Internal Audit Unit is to provide independent, objective assurance designed to add value and improve the Company's operations.

It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

SCOPE OF WORK

The scope of work of the internal audit function is to determine whether the Company's network of risk management, control and governance processes, as assigned and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs plans, and objectives are achieved.
- Significant legislative or regulatory issues impacting the Company are recognised and addressed appropriately.

ACCOUNTABILITY

The Head of Internal Audit Unit, in the discharge of his duties, shall be accountable to management and the audit committee to:

- Provide annually an assessment on the adequacy and effectiveness of the Company's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the Company and its affiliates, including potential improvements to those processes, and provide information concerning such issues.



- Periodically provide information on the status and results of the annual audit plan and the sufficiency of unit resources.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

INDEPENDENCE

To provide for the independence of the internal auditing function, its personnel report to the Head of Internal Audit Unit, who reports functionally to the audit committee and administratively to managing director/CEO.

RESPONSIBILITY

The Head of Internal Audit Unit has the responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submits that plan to the audit committee for review and approval as well as periodic updates.
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.
- Maintain a professional audit staff with sufficient knowledge, skills, and experience to meet the requirements of this Charter.
- Issue periodic reports to the audit committee and management summarizing results of audit activities.
- Perform investigations of suspected fraudulent activities within the Company and notify management and the audit committee of the results.



- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the Company.

AUTHORITY

The Head of Internal Audit Unit is authorized to:

- Have unrestricted access to all functions, reports, property, and personnel.
- Have full and free access to the audit committee.
- Allocate resources, set frequencies, select subject, determine scope of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the Company where they perform audits, as well as other specialized services from within or outside the Company

The Head of Internal Audit Unit is not authorized to conduct any services that would jeopardize the independence of himself or the internal audit function, such as performance of any operational duties for the Company or its affiliates, or direct the activities of any Company employee not employed by the internal audit function.

OFFICE POLICIES AND PROCEDURES

Internal Audit Unit personnel are expected to conduct themselves in a professional manner at all times. To support the technical aspects of this manual the following general office policies have been developed.

CONFIDENTIALITY

Internal Audit Unit frequently deals with information of a confidential nature. It is expected that all employees will treat



confidential information in an appropriate manner. Breach of confidentiality is considered grounds for dismissal.

SECURING WORKPAPERS

When an auditor is working in the field, care should be taken to secure audit work papers. They are to be in the physical possession of the auditor at all times.

BOARD AUDIT COMMITTEE

The Board Audit Committee will periodically assess whether the purpose, authority, scope and responsibility of Internal Audit Unit continue to be adequate to accomplish its objectives.

USE OF EXTERNAL SPECIALIST

The Audit Committee or Management may decide for the provision of services from external specialists where internal auditor's own resources do not suffice to provide effective and efficient audit coverage in the specific high risk areas.

Areas where it is likely that outsourcing will be used are:

- Information Systems (IS) Audits;
- Audit areas of high risk where in-house resources are insufficient; and
- Specialist advice for systems under development.

COOPERATION WITH EXTERNAL AUDITORS

The strategy for cooperating with the External Auditors will be of high benefit to the Company in terms of internal audit work, on which the external auditors may rely.

The cooperation aims to:

- Contribute to the effective coverage of internal oversight plan
- Be more economic by avoiding duplicate audits

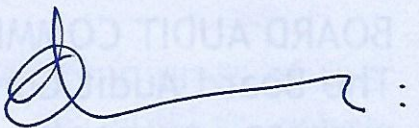


- Share audit results and recommendations

The policy/manual will be subject to review and update from time to time as the need arises.

Approved by the Board of Directors this ...12th day of ...September 2018

Secretary 

Director  :