

Audit Committee Charter

Section 1 – ROLE AND PURPOSE

The Audit Committee is a committee of the Board of Directors. The function of the Audit Committee is to assist the Board of Directors in fulfilling their responsibilities to the shareholders, securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) Reviewing and approving the annual and interim (quarterly) financial statements, related management discussion and analysis (“MD&A”) and, potentially, other financial information disclosed by the Company to any governmental body or the public;
- (b) Overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company’s external auditor;
- (c) Recommending the appointment and compensation of the Company’s external auditor;
- (d) Directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) Monitoring the Company’s financial reporting process and internal controls, the Company’s processes to manage financial risk and compliance with legal and regulatory requirements.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section 4 of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“GAAP”), to conduct investigations, or to assure compliance with laws and regulations or the Company’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

Section 2 – COMPOSITION OF AUDIT COMMITTEE

- (a) The Audit Committee shall have a minimum of two members;
- (b) Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board of Directors, each of whom shall be qualified to act as members of the audit committee pursuant to MI 52-110 of the Canadian Securities Administrators (or exempt therefrom);
- (c) All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and

accounting practices, and at least one member of the Audit Committee must have accounting or related financial management expertise. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant;

- (d) The members of the Audit Committee shall be elected by the Board of Directors on an annual basis or until their successors shall be duly appointed. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership; and
- (e) Any member of the Audit Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board of Directors may fill vacancies on the Audit Committee by election from among the Board of Directors. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

Section 3 – MEETING PROCEDURES

- (a) Time

The Audit Committee shall meet as frequently as circumstances require. The Audit Committee should within sixty (60) days following the end of the first three financial quarters review the unaudited financial results for the preceding quarter and the related MD&A, and within one hundred and twenty (120) days following the end of the financial year end review the audited financial results for the preceding quarter and year and the related MD&A, or in both cases, by such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.

- (b) Quorum

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

(c) Notice

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Audit Committee shall determine upon reasonable notice to each of its members which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board of Directors, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.

(d) Agenda

Determine any desired agenda items for any meeting of the Audit Committee.

Section 4 – RESPONSIBILITIES

In fulfilling its role and purpose, the Audit Committee shall:

(a) General

Review and recommend to the Board of Directors changes to this Charter, as considered appropriate from time to time.

Summarize in the Company's annual report or, if applicable, annual information form the Audit Committee's composition and activities.

Provide the disclosure regarding the Audit Committee required by MI 52-110.

Submit the minutes of all meetings of the Audit Committee to the Board of Directors.

Perform any other activities that the Audit Committee deems necessary or appropriate.

(b) Financial Information

Review and approve the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A.

Review and approve the Company's press releases with financial information.

Review and approve other financial information provided to any governmental body or the public as they see fit.

Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.

(c) External Auditor – Hiring and Compensation

Recommend to the Board of Directors the selection of the external auditor, considering independence and effectiveness.

Review the fees and other compensation to be paid to the external auditor.

Pre-approve all non-audit services to be provided to the Company by the external auditor.

Review and approve requests for any material management consulting or other engagement to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees.

(d) External Auditor – Procedures

Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

Arrange for the external auditor to report directly to the Audit Committee.

Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Company to determine their independence.

Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.

Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

Arrange for the external auditor to be available to the Audit Committee and the full Board of Directors as needed.

(e) Financial Reporting Processes

Communicate directly with the external auditor.

Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

Consider proposed major changes to the Company's accounting principles and practices.

(f) Reporting Process

If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.

Review the scope and plans of the external auditor's audit and reviews. The Audit Committee may authorize the external auditor to perform supplemental reviews or audits as the Audit Committee may deem desirable.

Periodically consider the need for an internal audit function, if not present.

Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

Where there are significant unsettled issues that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Review with the external auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.

Review activities, organizational structure and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning are raised for consideration by the Board of Directors.

Review management's monitoring of the system in place to ensure that the financial statements, related MD&A and other financial information disseminated to governmental organizations and the public satisfy legal requirements.

(g) Hiring Policies

The Audit Committee must review and approve the Company's hiring of partners, employees and former partners and employees of the present or any former external auditor of the Company.

(h) Risk Management

Review management's program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

(i) Authority of the Audit Committee

If considered appropriate, conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee is empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any such investigation.

(j) General

Notwithstanding the foregoing and subject to applicable law, the Audit Committee shall not be responsible to prepare financial statements, to plan or conduct internal or external audits, or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP, as these are the responsibility of management and in certain cases the external auditor. Nothing contained in this Charter is intended to require the Audit Committee to ensure the Company's compliance with applicable laws or regulations.

The Audit Committee is a committee of the Board of Directors and is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board of Directors 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 the Company or other liability whatsoever.

Section 5 – AUDIT COMMITTEE COMPLAINT PROCEDURES

(a) Submitting a Complaint

Anyone may submit a complaint regarding conduct by the Company or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chairperson of the Audit Committee will oversee treatment of such complaints.

(b) Procedure

The Chairperson of the Audit Committee will be responsible for the receipt and administration of employee complaints.

In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint to a confidential mailbox.

(c) Investigation

The Chairperson of the Audit Committee shall review and investigate the complaint. Corrective action will be taken when and as warranted.

(d) Confidentiality

The identity of the complainant and the details of the investigation will be kept confidential throughout the investigatory process.

(e) Records and Report

The Chairperson of the Audit Committee will maintain a log of complaints, tracking their receipt, investigation, findings and resolution and shall prepare a summary report for the Audit Committee.