

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE AND PRIMARY RESPONSIBILITY

A. Purpose

The purpose of this Audit Committee charter is to clearly set out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "Board"), annual evaluation and compliance with this charter.

B. Primary responsibility

The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for other matters as set out in this charter and/or as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

II. MEMBERSHIP

A. Each member of the Audit Committee must be an independent director of the Company in accordance with the Company's Board Manual.

B. The Audit Committee will consist of at least three members, all of whom shall be financially literate. An Audit Committee member who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

C. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

III. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

A. engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities and any such consultants or professional advisors retained by the Audit Committee will report directly to the Audit Committee;

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- B. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- C. to incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, such expenses to be paid for by the Company.

IV. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit Committee include:

- A. recommending to the Board the external auditor to be nominated by the Board;
- B. recommending to the Board the compensation of the external auditor, to be paid by the Company, in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- C. reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- D. overseeing the work of the external auditor;
- E. ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
- F. ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- G. ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- H. reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with GAAP and the MD&A is in compliance with appropriate regulatory requirements;
- I. reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- J. reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- K. reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- L. reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- M. reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- N. satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- O. overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- P. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- Q. reviewing, monitoring, discussing and assessing the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and discussing policies with respect to risk assessment and risk management, which discussions will include (i) the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, and (ii) guidelines and policies to govern the process by which risk assessment and management is undertaken;
- R. satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon.;
- S. resolving disputes between management and the external auditor regarding financial reporting;
- T. establishing procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
 - ii. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- U. reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- V. pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor (The Chair of the Audit Committee has the authority to pre-approve in between regularly scheduled Audit Committee meetings any non-audit service of less than \$25,000, however such approval will be presented to the Audit Committee at the next scheduled meeting for formal approval);
- W. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities; and
- X. establishing procedures for:
 - i. reviewing the expenses of the Chair of the Board, and the Chief Executive Officer (the "CEO") on a quarterly basis

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- ii. reviewing the adequacy of the Company's insurance coverage (excluding Directors' and Officers' insurance coverage, which is reviewed by Governance and Nominating Committee)
 - iii. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board
 - iv. obtaining reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company
 - v. reviewing fraud prevention policies and programs, and monitoring their implementation
 - vi. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
 - a) Tax and financial reporting laws and regulations;
 - b) Legal withholding requirements;
 - c) Environmental protection laws and regulations;
 - d) Other laws and regulations which expose directors to liability.
- Y. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- Z. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.
- V. MEETINGS**
- A. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- B. The Board of Directors will appoint the Chair of the Audit Committee. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead engagement partner of the external auditor.
 - A. The Audit Committee's schedule of meetings and agendas are set out in section IX below. Dates and locations will be provided to the Board, the Audit Committee members, the external auditors and management in advance.
 - B. The Audit Committee will meet in camera separately with the CEO and separately with the CFO of the Company at least annually to review the financial affairs of the Company.
 - C. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
 - D. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
 - E. Each of the chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

VI. REPORTS

- A. The Audit Committee will report, at least quarterly, to the Board regarding the Audit Committee's examinations and recommendations, and annually to the Board regarding the Audit Committee's compliance with this Charter.
- B. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

VII. MINUTES

- A. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

VIII. ANNUAL PERFORMANCE EVALUATION

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

- A. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

IX. MEETING PLANNER

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As Needed
Recommend to the Board the external auditor to be nominated by the Board		X											
Recommending to the Board the compensation of the external auditor					X								
Review the external auditor's annual audit plan, fee schedule and any related services									Xx				X
Meet with the external auditor to discuss any deviations from or changes to the original audit plan		X			X			X			X		X
Ensure that no restrictions have been placed on the scope and extent of the audit examinations by the external auditor or on the reporting of their findings		X			X			X			X		X
Receive a report annually from the external auditors with respect to their independence, and fees for all services provided to the Company		X							X				X
Receive a report from the external auditor with respect to CPAB and quality control programs									X				

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As Needed
Receive a report from external auditor with respect to partner and staff rotation									X				
Review and discuss with management and the external auditor the financial statements, related MD&A and press		X			X			X			X		
Review the appropriateness of the Company's accounting policies, Disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto)		X			X			X			X		
Review and discuss with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles used in the preparation of the		X			X			X			X		X
Review external auditor's required communications under GAAS		X			X			X			X		

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As Needed
Review and discuss with management and the external auditor all earnings press releases, as well as financial information and earnings guidance to be provided to analysts and rating agencies		X			X			X			X		X
Review external auditor's report on annual financial statements		X											
Approve financial statements, MD&A, press release for approval by Board		X			X			X			X		
Review CEO and CFO certifications of financial statements, MD&A and press release including 52-109 processes for disclosure controls and internal controls over financial reporting with management and the		X			X			X			X		X
Review internal control weaknesses and remediation progress		X			X			X			X		X
Review, discuss and access the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and discuss policies with respect to risk		X			X			X			X		X

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As Needed
Review continuous disclosure regulatory compliance		X			X			X			X		X
Review and resolve disputes, if any, with external auditor and management		X			X			X			X		X
Review and discuss whistleblower process and reports received, if any		X			X			X			X		X
Review and approve potential hires from external auditor firm with respect to Company policy													X
Preapprove any non audit service mandates to be provided by external auditor		X			X			X	X		X		X
Review and approve annual regulatory disclosure regarding external auditor and Audit Committee activities		X											X
Review and approve CEO and Chair of the Board expense reports					X						X		
Review adequacy of insurance coverage													X
Review CFO organization structure, resources, planning and succession													X
Review integrity, tone at the top messaging throughout the Company													X

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	As Needed
Review fraud prevention and Detection programs		X			X			X			X		
Review regulatory compliance related to financial reporting		X			X			X			X		X
Review tax planning, compliance, reporting and controversy		X			X			X			X		X
Review environment policy and reclamation program and related financial reporting		X											X
Report to Board on compliance with this charter					X								
Review education and orientation needs of Audit Committee and conduct appropriate program		X			X			X	X		X		X
Conduct in camera meetings													
CEO													X
CFO		X			X			X			X		
External Auditor		X			X			X			X		
Audit Committee		X			X			X			X		