



CHARTER OF THE AUDIT COMMITTEE

Purpose

The purpose of the Audit Committee (the “Committee”) is to act as the representative of the Board of Directors (the “Board”) in carrying out its oversight responsibilities relating to:

- the audit process;
- the financial accounting and reporting process to shareholders and regulatory bodies; and
- the system of internal financial controls.

Composition

The Committee shall consist of at least three Directors, a majority of whom shall satisfy the applicable independence and experience requirements of the laws governing the Company, the stock exchanges on which the Company’s securities are listed and the applicable securities regulatory authorities. The Committee must be appointed annually by the Board immediately following the Annual General Meeting (“AGM”) of the Company. The members of the Committee may appoint a Chair by majority vote of the full membership of the Committee. The Committee Chair must be appointed annually following the AGM of the Company. There is no limit to the number of terms, consecutive or otherwise, a Chair may serve. Each member of the Committee shall be financially literate, meaning that he or she has the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with International Financial Reporting Standards. One member of the Committee must have accounting and financial expertise, meaning that he or she possesses financial or accounting credentials or has experience in finance or accounting.

Authority

The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Committee shall have appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to the registered public accounting firm employed by the issuer for the purpose of rendering or issuing an audit report and to any advisers employed by the Committee.

Meetings and Reporting

The Committee is required to meet a minimum of four times annually, and as many additional times as necessary to carry out its duties effectively. The Committee may, on occasion, hold a meeting by conference call. The Committee may invite such officers, directors, and employees of the Company as it may see fit from time to time, to attend meetings of the Committee and assist thereat in the discussion and consideration of any matter.

The Committee is required to meet in camera at each Committee meeting without the presence of management. The Committee is required to meet in camera with the external auditor at least once a year in the absence of Management.

A quorum for the transaction of business at any meeting of the Committee shall be the presence in person or by telephone or other communication equipment, of a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour and place on the next business day following the date of such meeting. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour and place on the second business day following the date of such meeting. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present in person or by telephone. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as there is a quorum of the remaining members.

All decisions of the Committee will require the vote of a majority of its members present at a meeting at which a quorum is present. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. Such instruments in writing may be signed in counterparts and by facsimile, each of which shall be deemed to be an original, and all originals together shall be deemed to be one and the same instrument.

The Committee is required to produce draft minutes for each of its meetings within 15 business days following each meeting. Minutes (with appropriate amendments, as agreed to by those in attendance) must be adopted and approved by resolution at the subsequent scheduled Committee meeting. The Committee may appoint a non-Committee member as Recording Secretary at Committee meetings. Any resolutions passed during in camera sessions must be recorded. The Chair and the Recording Secretary are responsible for signing off Committee meeting minutes.

Duties

The Committee's duty is to monitor and oversee the operations of Management and the external auditor. Management is responsible for establishing and following the internal controls and financial reporting processes, and for compliance with applicable laws and policies. The external auditor is responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements. The external auditor is also responsible for testing and reporting on the Company's internal control procedures and processes.

The Committee should review and evaluate this charter and put forth any amendments or revisions to the Board regarding this charter on an annual basis.

In order to honor the spirit and intent of applicable law as it evolves, the Corporate Secretary will recommend amendments to this charter, as necessary, to the Board, and those amendments, along with any additional changes, where appropriate and necessary, will be given final approval and adoption by the Board.

To fulfill its responsibilities and duties, the Committee shall:

- Management Oversight
 - Assess the CEO with respect to performance and compliance of policies and execution of strategy on an annual basis.
 - Review and evaluate the Company's processes for identifying, analyzing and managing financial risks that may prevent the Company from achieving its objectives.
 - Review and evaluate the Company's internal controls, as established by Management.
 - Review and evaluate the status and adequacy of internal information systems and security.
 - Meet with the external auditor at least once a year in the absence of Management.
 - Request the external auditor's assessment of the Company's financial and accounting personnel.
 - Review and evaluate the adequacy of the Company's procedures and practices relating to currency exchange rates.
 - Review and evaluate the Company's banking arrangements.
- External Auditor Oversight
 - Review and evaluate the external auditor's process for identifying and responding to key audit and internal control risks.
 - Review the scope and approach of the annual audit.
 - Inform the external auditor of the Committee's expectations.
 - Recommend the appointment of the external auditor to the Board.
 - Meet with Management at least once a year in the absence of the external auditor.
 - Review the independence of the external auditor on an annual basis.
 - Review with the external auditor both the acceptability and the quality of the Company's accounting principles.
 - Confirm with the external auditor that the external auditor is ultimately accountable to the Board of Directors and the Committee, as representatives of the shareholders.
 - Review and if found acceptable recommend to the Board acceptance of the annual work plan and associated fees.
- Financial Statement Oversight
 - Review the quarterly reports with both Management and the external auditor.
 - Discuss with the external auditor the quality and the acceptability of the generally accepted accounting principles applied by Management.

- Review and discuss with management the annual audited financial statements.
- Recommend to the Board whether the annual audited financial statements should be accepted, filed with the securities regulatory bodies and publicly disclosed.

- Related Party Transactions
 - Review for approval all related party transactions.

- Other
 - With the input of the Corporate Secretary, review and at the Committee's discretion, approve and recommend the Company's Code of Business Conduct and Ethics to the Board.
 - With the input of the Corporate Secretary, review and at the Committee's discretion, approve and recommend the Company's Whistleblower Policy to the Board.