

MCEWEN MINING INC.

Internal Audit Charter

1. MISSION AND SCOPE OF WORK

The mission of the Internal Audit department is to objectively monitor and report on the health of financial, operational and compliance controls and to deliver value to the audit committee, executives and management in the areas of controls, risk management, and governance, to help the audit committee assess the efficacy of programs and procedures, and to coordinate activities and sharing perspectives with the independent auditor.

The primary scope of work of the Internal Audit department is to determine whether the organization's network of controls, risk management and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- (a) Significant financial, managerial, and operating information is accurate, reliable, and timely.
- (b) Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- (c) Quality and continuous improvement are fostered in the organization's control processes.
- (d) Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
- (e) Risks are appropriately identified and managed.
- (f) Resources are acquired economically, used efficiently, and adequately protected.

In addition, Internal Audit will work with the Corporate Secretary (and others as appropriate) to investigate potential violations of the Company's Code of Conduct and Ethics.

Internal Audit may be assigned other responsibilities with the approval of the Audit Committee.

2. ACCOUNTABILITY

The Internal Auditor, in the discharge of his/her duties, shall be accountable to the Audit Committee and management to:

- (a) Provide an annual assessment of the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- (b) Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.

- (c) Periodically provide information on the status and results of the audit plan and the sufficiency of department resources.

3. INDEPENDENCE

To provide for the independence of the Internal Audit department, its personnel shall report to the Internal Auditor, who shall report functionally to the Audit Committee and administratively to the Chief Financial Officer.

Performance and compensation reviews of the Internal Auditor will be conducted jointly by management and the Audit Committee. Any contemplated disciplinary action, up to and including termination, must be approved in advance by the Audit Committee.

The Internal Auditor shall have direct access to the Audit Committee and to the Chief Executive Officer; at his/her discretion meetings with the Audit Committee may be with or without other members of management present.

4. RESPONSIBILITY

The Internal Auditor and the staff of the Internal Audit department shall:

- (a) Develop a flexible audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well as provide periodic updates.
- (b) Implement the audit plan, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- (c) Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- (d) Issue periodic reports to the Audit Committee and management summarizing the results of audit activities.
- (e) Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- (f) Provide a list of significant measurement goals and results to the audit committee.
- (g) Consider the scope of work of the external auditors for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

5. AUTHORITY

The Internal Auditor and the staff of the Internal Audit department are authorized to:

- (a) Have unrestricted access to all functions, records, property, and personnel.
- (b) Have full and free access to the Audit Committee.

- (c) Have full and free access to the CEO and other members of management as needed.
- (d) Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- (e) Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.