

Charter of the Audit Committee

1. Purpose and Authority

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of McEwen Mining Inc., a Colorado corporation (the “**Company**”) shall be to make such examinations as are necessary to assist the Board with oversight of (a) the integrity of the Company’s financial statements, (b) the Company’s compliance with legal and regulatory requirements, (c) the implementation, maintenance and performance of the Company’s internal audit function, (d) the qualifications, independence and performance of the Company’s independent auditors, (e) the effectiveness of the Company’s disclosure controls and procedures and internal controls over financial reporting, and (f) the implementation and effectiveness of the Company’s ethics and compliance programs. In addition, the Committee, with the assistance of management, shall provide to the Board the results of its examinations and recommendations in discharging its responsibilities, nominate independent auditors, prepare an annual report for inclusion in the Company’s annual proxy statement or other required filings in accordance with the applicable rules and regulations of the SEC, and provide such additional information and materials as it may deem necessary to make the Board aware of significant financial matters which require the Board’s attention.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor, to any advisors that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

2. Composition and Qualifications

Except as discussed herein, the Committee shall be comprised of at least three members of the Board, as determined by the Board. It shall have a Chairperson appointed by the Board. Each of the members of the Committee shall meet the independence and experience requirements of the NYSE, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the rules and regulations of SEC, and shall be financially literate as determined by the Board in its business judgment consistent with financial literacy guidelines adopted by the Board. At least one member of the Committee must have accounting or related financial management expertise as determined by the Board in its business judgment.

Members of the Committee and its Chairperson will be appointed by the Board and shall serve for such term as the Board may determine, or until their earlier resignation, death or removal by the Board. Members of the Committee may not directly or indirectly receive any consulting, advisory or compensatory fee from the Company other than in their capacities as members of the Board, the Committee or any other committee on which they may serve.

Members of the Committee may not simultaneously serve on the audit committees of more than two other public companies.

3. Functions and Authority

The Committee shall be obligated, and shall have the full power and authority, to carry out the following responsibilities:

(a) Independent Auditors

- (i) The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including the resolution of any disagreements between management and the independent auditor regarding financial reporting). The independent auditor shall report directly to the Committee.
- (ii) To review a formal written statement from the Company's independent auditors on a periodic basis (at least annually) delineating all relationships between the auditors and the Company and discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.
- (iii) To pre-approve all auditing services, internal-control services and permitted non-audit services (including the terms thereof) to be performed by the independent auditor and any fees for such services. The Chairperson may pre-approve any such services in accordance to the procedures approved by the Committee, provided that any approval by the Chairperson must be reported to the Committee at its next meeting.
- (iv) To obtain and review at least annually a report by the independent auditors describing the Company's internal control procedures, any material issues raised by the most recent internal control review or peer review of the Company, any inquiry or investigation by governmental or professional authorities with respect to one or more independent audits carried out by the firm within in the preceding five years and any steps taken by the independent auditor to deal with such issues.
- (v) To evaluate, and present to the Board the Committee's conclusions about, the qualifications, performance and independence of the independent auditor.
- (vi) To set policies for the Company's hiring of employees or former employees of the independent auditor.

(b) Financial Statements and Disclosure Matters

- (i) To request from, and review with, the independent auditor and management updates on emerging accounting and auditing issues, as well as assessments of their potential impact on the Company, on a timely basis throughout the year. Additionally, the independent auditor and management shall at least annually, or more frequently as circumstances require, provide an analysis of the Company's critical accounting policies.
- (ii) To review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the Company's financial statements.

- (iii) To review and discuss with management and the independent auditors the Company's balance sheet, statements of operations, and statements of cash flows and stockholders' equity for each interim period and to discuss the Company's specific disclosure under "Management Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of any Forms 10-Q or 10-K, and recommend to the Board whether the audited financial statements should be included in the Form 10-K.
- (iv) To review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
- (v) To provide a report in the Company's annual meeting proxy statement and the Company's Form 10-K stating including without limitation, whether the Committee has reviewed and discussed the Company's audited financial statements with the Company's management, whether the Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.
- (vi) To discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any audit problems or difficulties encountered in the course of the audit work and the cooperation received by the independent auditors during their audit examination, including their access to all requested records, data and information.
- (vii) To review and discuss with management and the independent auditor any major issues as to the adequacy of the Company's internal controls, discuss with Company management the scope and quality of internal accounting and financial reporting controls in effect, and review any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- (viii) To review and discuss with management (including the senior internal audit executive) and the independent auditor the Company's internal controls report and the independent auditor's attestation of the report prior to the filing of the Company's Form 10-K.
- (ix) To discuss with management, policies with respect to risk assessment and risk management, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (x) To review and discuss with management earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, with particular emphasis on the use of any "pro forma" or "adjusted" non-GAAP information so provided.

- (xi) To review any analyses prepared by management and/or the independent auditors, including quarterly reports from the independent auditor, setting forth all critical accounting policies and practices used and to be used, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the results under alternative GAAP methods, and all material written communications between the independent auditor and management.
- (xii) To disclose in the Company's annual meeting proxy statement whether the Committee has a written charter, and to file the Committee's charter every three years in the Company's annual meeting proxy statement.

(c) Oversight of the Company's Internal Audit Function

- (i) To review the appointment and replacement of the senior internal auditing executive.
- (ii) To review the significant reports to the management prepared by the internal auditing department and management's responses.
- (iii) To discuss with the independent auditor and management the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

(d) Compliance

- (i) To annually evaluate its performance, the qualifications of its members and the adequacy of this charter and report thereon to the Board.
- (ii) To obtain reports from management, the Company's senior internal audit executive and the independent auditor that the Company and its subsidiaries are in conformity with the applicable legal requirements and the Company's Code of Business Conduct and Ethics; to review reports and disclosures of insider and affiliated party transactions; and to advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
- (iii) To establish procedures for the receipt, retention and treatment of complaints or concerns, including a procedure for confidential and anonymous submission by the Company's employees, regarding the Company's accounting, internal accounting controls or auditing matters.
- (iv) To discuss with the Company's general counsel, or outside counsel, legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.
- (v) To review and approve or ratify each "related party transaction" (as defined in the Policies) to the extent that a separate special committee of the Board is not so designated.

4. Meetings and Procedural Matters

The Committee will hold at least one regular meeting per quarter and additional meetings as the Chairperson or Committee deems appropriate. The agenda of each meeting will be prepared by the Corporate Secretary and approved by the Chairperson of the Committee before circulation to the rest of the Committee members and, whenever reasonably practicable circulated to each member prior to the meeting date. The Committee shall meet periodically in separate executive sessions with management (including the CFO and chief accounting officer), the internal auditor and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee may deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Chairperson will preside, when present, at all meetings of the Committee. The Committee may meet by telephone, or by videoconference, and may take action by written consent. Minutes of each meeting of the Committee shall be reviewed and approved by the Committee, distributed to each member of the Committee, member of the Board who are not members of the Committee and the Corporate Secretary for retention with the records of the Company. The Committee shall regularly report to the Board or whenever so requested by the Board.