

Charter of the Audit Committee of the Board of Directors

I. Purpose

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibility to the shareholders as it relates to:

- the integrity and timeliness of the Company's financial statements and the Company's accounting policies, disclosure, internal controls and financial reporting practices;
- assessing the independence, qualification, performance and recommending the appointment of the Company's external auditor, including their remuneration, to the Company's Board of Directors and overseeing the non-audit services provided by the independent auditor;
- maintaining, through regularly scheduled meetings, a line of communication between the Board and the Company's financial management and external auditor;
- standards of business conduct and ethics for directors, senior management and employees; and
- the Company's compliance with legal and regulatory requirements related to financial reporting.

II. Structure and Operations

Composition and Qualifications

The Committee shall be appointed by the Board and shall serve at the pleasure of the Board and for such terms as the Board may determine. The Committee shall be comprised of three or more Directors (as determined from time to time by the Board), the majority of whom are "independent" as such term is defined in the Company's Director Independence Policy.

In addition, all members shall, to the satisfaction of the Board of Directors, be "financially literate". "Financially literate" means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Organization, Procedures and Powers

1. The Board shall appoint one member of the Committee as the Chair. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee. The Chair shall be responsible for leadership of the Committee, including scheduling meetings, preparing agendas and making regular reports to the Board.
2. The Committee shall have the authority to establish its own rules and procedures, consistent with the articles of the Company, for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so.
3. The Committee shall have the authority to engage independent counsel, independent accountants or other outside advisers as the Committee deems necessary to carry out its duties.

III. Meetings

The Committee will meet (including by way of telephone conference) at least four times annually and at such other times as it deems necessary to fulfill its responsibilities. A majority of the members of the Committee shall constitute a quorum.

1. The Committee may include in its meetings: (a) members of the Company's management, (b) representatives of the external auditor, (c) other directors by invitation, or (d) any other personnel employed or retained by the Company.
2. The Committee may periodically meet with members of the Company's management in separate executive sessions to discuss any matters that the Committee believes should be addressed privately.
3. A meeting of the Committee may be convened by the Chair of the Committee, a quorum of the Committee members, or the external auditor. The Corporate Secretary shall, upon direction of any of the foregoing, arrange a meeting of the Committee. The Committee shall report to the Board in a timely manner with respect to each of its meetings.

IV. Responsibilities and Duties

Financial Accounting and Reporting Process

1. The Committee will review with management and the independent auditor, the Company's annual financial statements, management discussion and analysis, earnings releases and any reports or other financial information to be submitted to any governmental and/or regulatory body, or the public, including any certification, report, opinion, or review rendered by the independent auditor for

- the purpose of recommending their approval to the Board prior to their filing, issue or publication.
2. The Committee will review and recommend to the Board for approval all interim unaudited financial statements and quarterly reports, related interim Management's Discussion & Analysis and media releases of a financial nature prior to their filing, issue or publication.
 3. The Committee shall review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
 4. The Committee will ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the issuer's financial statements, as well as review any financial information, non-IFRS metrics contained in the Management's Discussion & Analysis and basis of presentation and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.
 5. The Committee will consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.
 6. The Committee will review the treatment and disclosure of significant related party transactions, if any.
 7. Review the effect of regulatory and accounting initiatives, as well as off balance sheet structures (if any), on the financial statements of the Company.

Independent Auditor

1. The external auditor will report directly to the Audit Committee as representatives of the shareholders. They are to be available to the Audit Committee and the full Board as needed.
2. The Committee shall recommend to the Board and approve the selection of the auditor, consider their independence, effectiveness and performance, and approve the fees and other compensation to be paid.
3. The Committee will continuously monitor the relationship between management and the auditor including reviewing any management letters or other reports

issued and discussing any material differences of opinion between management and the auditor.

4. The Committee will periodically review, and if necessary, update its policy with regards to the pre-approval for any permitted non-audit services, including a requirement that the Committee approve all non-audit engagements of the external auditor and shall, consistent with that policy, approve the retention of the external auditor to perform such services and the fees for such services, if required by that policy. The Committee may, in its discretion, delegate to the Chair of the Committee the authority to pre-approve any audit or non-audit services to be performed by the external auditor, provided that any such approvals are presented to the Committee at its next scheduled meeting. See “Pre-Approval Policy”.
5. At least annually, the Committee will consult with the 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 organization’s financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
6. At least annually, the Committee will receive input from the Chief Executive Officer and/or the Chief Financial Officer on audit quality, quality of engagement team, and relationship with the auditor.
7. The Committee will oversee the work of the auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, if any.
8. The Committee will review and approve hiring for employees or former employees of the past and present independent auditor for significant financial positions.

Review of Results related to External Audits

1. Establish regular and separate systems of reporting to the Audit Committee by each of management and the auditor regarding any significant judgments made in management’s preparation of the financial statements and the view of each as to appropriateness of such judgments.
2. The Committee will review the scope and plans of the auditor's audit prior to the audit being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
3. Following completion of the annual audit, the Committee will review separately

- with each of management and the auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit.
4. The Committee will review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
 5. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
 6. Review with the 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 Committee, have been implemented.
 7. In consultation with the auditor, the Committee will review the integrity of the organization's internal financial and accounting controls and reporting processes.
 8. The Committee will consider the auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.

Ethical and Legal Compliance

1. The Committee will oversee Management's monitoring of the Company's systems to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
2. The Committee shall monitor compliance with and make recommendations to the Board respecting amendments to the Code of Business Conduct and Ethics and review the findings of any investigations of non-compliance with the Code of Business Conduct and Ethics.
3. The Committee shall review the findings of any examination by financial or corporate governance regulatory authorities.
4. The Committee will ensure that the Chief Executive Officer and Chief Financial Officer provide written certification with annual and interim financial statements and Management's Discussion & Analysis.

Risk Management

The Committee will meet periodically with senior management to discuss the Company's policies with respect to risk assessment and risk management. In doing so, the Committee will review the Company's major financial risk exposure and the steps management has taken to monitor and control such exposure.

Disclosure Controls

The Committee will review annually the disclosure controls and procedures, including the certification timetable and related process. Confirm quarterly with the Chief Executive Officer and the Chief Financial Officer the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies in internal controls or any fraud related to management or persons who have a significant role in internal controls.

General

1. The Committee will review and update this Charter of the Audit Committee at least annually, as conditions dictate.
2. The Committee will establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing matters or violations to the Company's Code of Business Conduct and Ethics. See "Whistleblower Policy".
3. The Committee will review with management and recommend to the Board for approval the Company's Proxy material, Information Circular and, if applicable, Annual Information Form.
4. The Committee shall perform any other activities consistent with this Charter, the Company's Notice of Articles and Articles and governing law, as the Committee or the Board deems necessary or appropriate.
5. The Committee will review expenses of the Non-Executive Board Chair and of the Chief Executive Officer annually, or designate the Audit Chair to do the same.
6. The Committee will conduct an annual self-evaluation and report the findings to the Board of Directors.