



(the "Company")

CHARTER OF THE AUDIT COMMITTEE

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board"), of whom the majority shall be "independent directors", as that term is defined in National Instrument 52-110, "Audit Committees".
 2. All of the members of the Committee shall be "financially literate" (i.e. able to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements).
 3. At least one member of the Committee shall have accounting or related financial expertise (i.e. able to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with generally accepted accounting principles).
 4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
 5. Unless the Board shall have appointed a chair of the Committee or in the event of the absence of the chair, the members of the Committee shall elect a chair from among their number.
 6. The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Company's corporate secretary, unless otherwise determined by the Committee.
 7. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
 8. The Committee shall have access to such officers and employees of the Corporation and to the Company's external auditors, and to such information respecting the Company, as it considers necessary or advisable in order to perform its duties and responsibilities.
 9. Meetings of the Committee shall be conducted as follows:
 - a. the Committee shall meet at least quarterly at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - b. the chair of the Committee shall be responsible for developing and setting the agenda for Committee meetings and determining the time and place of such meetings;
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- c. the following management representatives shall be invited to attend all meetings, except *in camera* sessions and private sessions with the external auditors:
Chief Executive Officer
Chief Financial Officer
 - d. other management representatives shall be invited to attend as necessary;
 - e. notice of the time and place of every meeting of the Committee shall be given in writing to each member of the Committee a reasonable time before the meeting; and
 - f. if the financial statements of the Company are reviewed or audited during a quarterly period, the external auditors shall receive notice of and have the right to attend such meetings of the Committee.
10. The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
 11. The Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the external auditors.
 12. The Committee may, at the request of the Board or on its own initiative, investigate relevant matters as it considers necessary or appropriate in the circumstances and is authorized to engage and compensate any outside advisors that it determines to be necessary to permit it to carry out its duties.
 13. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee, management or, to the extent otherwise permitted by applicable plans, laws or regulations, to any other body or individual.
 14. Subject to any statute or constating documents of the Company, the Committee determines its own procedures at meetings and may conduct meetings by telephone and keeps records of its proceedings.

RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

1. The overall responsibilities of the Committee shall be as follows:
 - a. to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
 - b. to establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
 - c. to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - d. to report regularly to the Board on the fulfilment of its duties and responsibilities.
 2. The responsibilities of the Committee as they relate to the external auditors shall be as follows:
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- a. to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - b. to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - c. review the audit plan of the external auditors prior to the commencement of the audit;
 - d. to review with the external auditors, upon completion of their audit:
 - i. contents of their report;
 - ii. scope and quality of the audit work performed;
 - iii. adequacy of the Company's financial and auditing personnel;
 - iv. co-operation received from the Company's personnel during the audit;
 - v. internal resources used;
 - vi. significant transactions outside of the normal business of the Company;
 - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii. the non-audit services provided by the external auditors;
 - e. to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - f. to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- a. review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - b. review compliance under the Company's Code of Business Conduct and Ethics Policy and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;
 - c. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - d. review periodically the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- a. review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - b. review and approve the financial sections of:
 - i. the annual report to shareholders;
 - ii. the annual information form;
 - iii. prospectuses; and
 - iv. other public reports requiring approval by the Board,and report to the Board with respect thereto;
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- c. review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- d. review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- e. review and report on the integrity of the Company's consolidated financial statements;
- f. review the minutes of any audit committee meeting of subsidiary companies;
- g. review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- h. review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and
- i. develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

COMPLAINTS

The Audit Committee has established procedures for:

- a. safety and environmental matters, company and regulatory policies, related party transactions and personal conduct, and
- b. the confidential and anonymous submission by employees and consultants of the Company and its subsidiaries of complaints or concerns regarding Company Matters.

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted as outlined in the Company's Policy Whistleblower Policy. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint shall be kept confidential.

Upon receipt of a complaint, the Chair of the Committee conducts or designates another member of the Committee to conduct an initial investigation. The results of that initial investigation are brought before the Committee for a determination of further investigation and action.

Records of complaints made and the resulting action or determination with respect to the complaint are documented and kept in the records of the Audit Committee for a period of three years.

The Committee reviews the Whistle Blower Policy annually.

REPORTING AND ASSESSMENT

The Committee reports to the Board of Directors.

The Committee reviews its Charter and conducts an assessment of its performance, and the performance of the Committee Chair, on an annual basis. The Committee reports to the Corporate Governance Committee the results of such review and assessment, including any recommendations for change in the Board and Committee Evaluation form.

