

APPENDIX “A” - AUDIT COMMITTEE CHARTER

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) by providing oversight of the financial management, external auditors and financial reporting procedures of the Company, as well as such other matters as directed by the Board or this Charter.

Membership of the Committee

1. The Committee shall be comprised of three members of the Board.
2. All Committee members shall be “independent” as defined by the Canadian Securities Administrators (the “CSA”).
3. Each Committee member shall be “financially literate” as defined by the CSA.

Meetings of the Committee

1. The Committee will meet formally four times each fiscal year, and call special meetings as required.
2. A quorum at meetings shall be a majority of the members.
3. The Committee will appoint a Secretary to record the major decisions. Meeting minutes will be prepared and filed in the Corporate Minute Book.

Key Responsibilities

The Company’s management is responsible for preparing the Company’s financial statements and the external auditors are responsible for auditing those financial statements. The Committee is directly responsible for overseeing the conduct of these activities by the Company’s management and the external auditors. The Audit Committee shall have unrestricted access to Company personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

A. *Oversight of External Auditors*

The Committee shall be responsible for:

1. Recommending to the board of directors the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, as well as the compensation to be paid to such auditors;
2. Reviewing and approving the original proposed scope of the annual external audit of the Company’s financial statements and trust funds and the associated engagement fees, as well as any significant variations in the actual scope of the external audit and the associated engagement fees;
3. Overseeing the work of external auditors engaged for the purpose of preparing or issuing an audit report, or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian

Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

4. Pre-approving all non-audit services to be provided by the external auditors, subject to a de minimis provision as set out in the Pre-Approval policy in accordance with Multilateral Instrument 52-110; and
5. Approving the hiring of partners, employees or former partners or employees, of the external auditors.
6. Ensuring that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing the adequacy of those procedures.

B. *Oversight of Internal Controls*

1. The Committee shall obtain annually reasonable assurance from management and the external auditors that the Company's accounting systems are reliable and internal controls are adequate.
2. The Committee shall review and discuss, annually, with management and the internal auditor the planned internal audit-type activities of the Company. The findings shall be reviewed and a determination made that they are being dealt with appropriately.

C. *Oversight of Management's Conduct of the Company's Financial Reporting Process*

1. *Audited Financial Statements:* The Committee shall review and discuss with management and the external auditors the audited financial statements, Management's Discussion & Analysis (MD&A) to be included in the Company's Annual Report, Annual Information Form (AIF), CEO/CFO certification and the earnings press release before this information is disclosed. The Committee will also review and discuss the Company's disclosure controls and procedures. Based on these discussions, the Committee will advise the Board of Directors whether it recommends approval of the audited financial statements, MD&A, AIF, and earnings press release. This shall occur prior to public disclosure of such information.
2. *Interim Financial Statements:* The Committee shall review and discuss with management and the external auditors the Company's interim financial statements and MD&A to be included in the Company's quarterly reports, CEO/CFO certification and the related earnings press releases. Based on these discussions, the Committee will advise the Board of Directors whether it recommends approval of the interim financial statements and press releases. This shall occur prior to public disclosure of such information.
3. *Financial Reporting Practices:* The Committee shall review:
 - (i) Changes in the Company's accounting policies and practices and significant judgments that may affect the financial results.
 - (ii) The nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management.
 - (iii) The effect of changes in accounting standards that may materially affect the Company's financial reporting practices.

- D. *Assist the Board in Oversight of the Company's Compliance with Policies and Procedures Addressing Legal and Ethical Concerns.*
1. The Committee shall establish procedures for:
 - (i) The receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) The confidential, anonymous submission to the issuer of concerns regarding questionable accounting or auditing matters from employees to the Chairman of the Audit Committee.
 2. The Committee shall review and monitor, as appropriate:
 - (i) Litigation or other legal matters that could have a significant impact on the Company's financial results.
 - (ii) Significant findings of any examination by regulatory authorities or agencies, in the areas of securities, accounting or tax, such as the Ontario Securities Commission or the Canada Revenue Agency.
 3. The Committee shall report regularly to the Board on its meetings and discussions and review with the Board significant issues or concerns that arise at Committee meetings.
 4. The Committee shall have authority to retain and consult with outside legal, accounting or other advisors, as the Committee may deem appropriate and to set and pay the compensation for any advisors retained and consulted with and to communicate directly with the internal and external auditors.
 5. The adequacy of this Charter shall be reviewed by the Committee on an annual basis. The Committee will recommend to the Board any modifications to this Charter, which the Committee deems appropriate, for approval by the Board.