



Audit Committee Charter

A. PURPOSE AND SCOPE

The primary function of the Audit Committee (the "Committee") is to (a) assist the board of directors (the "Board") in fulfilling its responsibilities by reviewing: (i) the financial reports provided by the Company to the Regulatory Bodies (as defined below), the Company's shareholders or to the general public, and (ii) the Company's internal financial and accounting controls, (b) oversee the engagement of, and work performed by, any independent public accountants, and (c) recommend, establish and monitor procedures including without limitation relating to Risk Management designed to improve the quality and reliability of the disclosure of the Company's financial condition and results of operations.

B. COMPOSITION

The Committee shall be comprised of a minimum of three directors as appointed by the Board, each of whom shall be an "unrelated director" as such term is defined in the Toronto Stock Exchange (the "TSX") Company Manual from time to time (the "Manual") and each of whom shall meet the audit committee composition requirements promulgated by the TSX, any other exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company (each a "Regulatory Body" and collectively, the "Regulatory Bodies"), as in effect from time to time, and each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgement as a member of the Committee.

All members of the Committee shall be able to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement. At least one member of the Committee shall have employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Further, no later than the earliest time required by any Regulatory Body, at least one member of the Committee shall qualify as a "financial expert" (as such term is defined in the Manual or by a Regulatory Body, from time to time).

To the extent permitted by the Regulatory Bodies, the Board of Directors may appoint one member who is not an "unrelated director" as set forth above and who does not own or control 20% or more of the Company's voting securities and who is not a current employee of the Company or an immediate family member of such employee if the Board, under exceptional and limited circumstances, determines that membership on the Committee by the individual is required in the best interests of the Company and its shareholders. The Board shall disclose in the next proxy statement after such determination the nature of the relationship and the reasons for the determination. Any member of the Committee appointed to the Committee pursuant to this exception shall not be permitted to serve as the Chair of the Committee and shall not be permitted to serve on the Committee for a period of more than two years.

The members of the Committee shall be elected by the Board at the meeting of the Board of Directors following each annual meeting of the shareholders and shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation or removal. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

C. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

Document Review

1. Review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually (and update this Charter if and when appropriate).
2. Review with representatives of management and representatives of the Company's independent accounting firm the Company's audited annual financial statements prior to their filing. After such review and discussion, the Committee shall recommend to the Board whether such audited financial statements should be included in the

Company's Annual Report. The Committee shall also review the Company's interim financial statements prior to their filing and such other financial reports and filings as may be required by any other Regulatory Body.

3. Take steps designed to insure that the independent accounting firm reviews the Company's interim financial statements prior to their inclusion in the Company's interim reports and such other financial reports and filings as may be required by any other Regulatory Body.
4. Review and assess the performance of the Chief Financial Officer and provide recommendations to the chief executive officer and Compensation Committee with respect to the award of any monetary bonus, if applicable, in accordance with the Incentive Program established by the Compensation Committee.

Independent Accounting Firm

1. The Committee shall be directly responsible for the selection, compensation and oversight of any independent accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or related work. The Committee shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace such independent accounting firm (or to recommend such replacement for stockholder approval in any proxy statement).
2. Resolve any disagreements between management and the independent accounting firm as to financial reporting matters.
3. Instruct the independent accounting firm that it should report directly to the Committee on matters pertaining to the work performed during its engagement and on matters required by the rules and regulations of any applicable Regulatory Body.
4. On an annual basis, receive from the independent accounting firm a formal written statement identifying all relationships between the independent accounting firm and the Company. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact its independence. The Committee shall take appropriate action to oversee the independence of the independent accounting firm.
5. On an annual basis, discuss with representatives of the independent accounting firm the matters required to be discussed by the rules, regulations and guidelines governing the independent accounting firm.
6. Meet with the independent accounting firm prior to the audit to review the planning and staffing of the audit and consider whether or not to approve the auditing services proposed to be provided.
7. Evaluate the performance of the independent accounting firm and consider the discharge of the independent accounting firm when circumstances warrant. The independent accounting firm shall be ultimately accountable to the Board and the Committee.
8. Consider in advance whether or not to approve any non-audit services to be performed by the independent accounting firm which are required to be approved by the Committee pursuant to the rules and regulations of any applicable Regulatory Body.

Financial Reporting Process

1. In consultation with the independent accounting firm and management, review annually the adequacy of the Company's internal financial and accounting controls.
2. Require the Company's chief executive officer and chief financial officer to submit, as required by Regulatory Bodies, and prior to the filing of the Annual Report or any interim reports, a report, dated no earlier than 10 days prior to the date of filing of the Annual Report or any interim reports, to the Committee which evaluates the design and operation of the Company's internal financial and accounting controls, and which discloses (a) any significant deficiencies discovered in the design and operation of the internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's

internal controls. The Committee shall direct the actions to be taken and/or make recommendations to the Board of actions to be taken, to the extent such report indicates the finding of any significant deficiencies in internal controls or fraud.

3. Regularly review the Company's critical accounting policies and accounting estimates resulting from the application of these policies and inquire at least annually of both the Company's management and the independent accounting firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.

Compliance

1. To the extent deemed necessary by the Committee, it shall have the authority to engage outside counsel, independent accounting consultants and/or other experts, in each case at the Company's expense, to review any matter under its responsibility.
2. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.
3. Investigate any allegations that any officer or director of the Company, or any other person acting under the direction of any such person, took any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading and, if such allegations prove to be correct, take or recommend to the Board appropriate disciplinary action.
4. The Committee shall ensure that any options grants approved by the Board were issued at the grant date with the appropriate exercise price and the correct amount of options provided in total.

Reporting

1. Prepare, in accordance with the rules of any Regulatory Body, a written report of the audit committee to be included in the Company's annual proxy statement for each annual meeting of shareholders.
2. Instruct the Company's management to disclose in its Annual Report and in any interim reports the approval by the Committee of any non-audit services performed by the independent accounting firm, and review the substance of any such disclosure.

Conflicts of Interest

1. Review all related party transactions involving executive officers and members of the Board and, as required by any Regulatory Body, consider approval of such transactions, or recommendation for approval to the Corporate Governance Committee of the Company.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.