



Charter of the Audit Committee

I: Audit Committee Mandate

The Audit Committee (“**Committee**”) is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board. The Committee will primarily fulfill this role by carrying out the activities enumerated in this Charter. The Committee is, however, independent of Board, and in carrying out its role of assisting the Board in fulfilling their oversight responsibilities the Committee shall have the ability to determine its own agenda and any additional activities that the Committee shall carry out. The Audit Committee’s primary duties and responsibilities are to:

- Monitor the integrity of Company’s financial reporting process and the audit process
- Monitor risk management and systems of internal controls
- Monitor the independence, qualifications and performance of the Company’s independent auditors
- Monitor the Company’s compliance with legal and regulatory requirements

While the Audit Committee has the duties and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

II: Reliance on Information and Standard of Care

Members of the Committee, absent actual or suspected knowledge to the contrary (which shall be reported to the Committee), shall be entitled to rely on the integrity and accuracy of all information provided and all representations and reports made to the Committee. In addition, Members of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

III: Responsibilities

The Committee’s primary duties and responsibilities are as follows:

A. Financial Disclosure

1. Review and recommend to the Board for approval the Company’s annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related Management’s Discussion & Analysis (“MD&A”), as well as such other

financial information of the Company provided to the public or any governmental body as the Committee or the Board requires.

2. Review and recommend to the Board for approval any press releases of the Company that contain financial information.
3. Satisfy itself 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 the related MD&A and periodically assess the adequacy of those procedures.

B. Relationship with the External Auditor

1. Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
2. Have the authority to communicate directly with the external auditor.
3. Advise the external auditor that it is required to report to the Committee and not to management of the Company.
4. Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.
5. Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, its management or employees that might interfere with the independence of the external auditor.
6. Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
7. Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
8. Periodically consult with the external auditor out of the presence of management about
 - (i) any significant risks or exposures facing the Company;
 - (ii) internal controls and other steps that management has taken to control such risks; and
 - (iii) the fullness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
4. Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

C. Audit Process

1. Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
2. Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any

difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

3. Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
4. Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
5. Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
6. Review the system in place to seek to ensure that the financial statements, MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.

D. Financial Reporting Processes

1. Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.
2. Review all material balance sheet issues, material contingent obligations and material related party transactions.
3. Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financing reporting.

E. General

1. The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Company) the compensation for any such advisors.
2. Respond to requests by the Trustees with respect to the functions and activities that the Trustees request the Committee to perform.
3. Periodically review this Charter and, if the Committee deems appropriate, recommend to the Trustees changes to this Charter.
4. Review the public disclosure regarding the Committee required from time to time by applicable Canadian securities laws, including:
 - (i) the Charter of the Committee;
 - (ii) the composition of the Committee;
 - (iii) the relevant education and experience of each member of the Committee;
 - (iv) the external auditor services and fees; and

- (v) such other matters as the Company is required to disclose concerning the Committee.
- 5. Review in advance and approve, the hiring and appointment of the Company's senior financial executives.
- 6. Perform any other activities as the Committee or the Trustees deems necessary or appropriate.
- 7. Overseeing the work of the external auditors engaged to prepare or issue an audit's report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- 8. Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditors.
- 9. Review the Company's financial statements, management's discussion and analysis and annual and interim earnings press releases before such documents are publicly disclosed by the Company.
- 10. The Committee must satisfy itself 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, other than the public disclosure referred to in 4 above, and must periodically assess the adequacy of those procedures.
- 11. Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 12. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company

IV: Authority of the Committee

The Committee shall have the authority to conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

A: Composition

The Committee shall be comprised of a minimum three Directors as determined and appointed by the Board, each of whom shall be independent and financially literate within the meaning of applicable Canadian securities laws. The Board shall designate the Chairman of the Committee annually.

B: Meetings & Operating Procedures:

- 1. The Committee will meet at least four times annually and at least once each financial quarter.
- 2. A quorum shall be a majority of the members.

3. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
4. Minutes of the Committee shall be recorded. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Company in a timely fashion.
5. The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
6. The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
7. The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
8. The Committee should meet privately in executive session at least quarterly with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
9. In addition, the Committee or at least its Chair should communicate with management and the external auditors quarterly to review the Company's financial statements and significant findings based upon the auditor's limited review procedures.
10. The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
11. The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

C: Review Procedures

The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with Venture Exchange and OSC regulations.

D: Complaint Procedure

12. Anyone may submit a complaint regarding conduct by the Company or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair of the Committee will oversee treatment of such complaints.
13. Complaints are to be directed to the attention of the Chair of the Committee.
14. Complaints may be made in the French or English language and the Chair will deal with a complainant in whatever language they are most comfortable.
15. Complaints may be submitted to the Chair on a confidential basis. The Committee will endeavour to keep the identity of the complainant confidential.

16. The Chair of the Committee shall lead the review and investigation of a complaint. The Committee shall retain a record of all complaints received. Corrective action will be taken when and as warranted.
17. The above complaint procedures shall be made conspicuously available in both English and French in each place of business of the Company.