

Finance and Audit Committee Terms of Reference

1. Mandate – General

The Finance and Audit Committee is responsible for the review and advisement to the Board on the Financial Reporting and financial activities of the Company.

2. Reporting and Accountability

The Finance and Audit Committee is responsible to and will report to the Board, presenting recommendations for the Board's consideration and approval as required or appropriate pertaining to the financial activities of the company.

3. Composition of Committee

The Committee will consist of a minimum of three members of which the majority will be Board members with support from the Corporate Secretary and President when required. The Committee should include at least one member who has an accounting or finance background and who can advise the group as to the veracity of any financial statements presented.

4. Committee Member and Chair Appointments

Chair of the Committee will be appointed at the first meeting of the Board following the annual meeting of Shareholders. Once Committee is formed by the Chair, the proposed Committee Members will be brought back to the Board for approval.

5. Committee Meetings

The Committee will meet quarterly when required to complete the specific duties of the Committee, prior to the regularly scheduled Quarterly Board Meetings, and upon Annual Financial Statements being made available from the external Auditor. Special Meetings can be called if required.

6. Quorum

A majority of Committee members, present in person, by video conference or by telephone will form a quorum.

7. Attendance at Meetings

Along with the Committee Members, the President and/or Director of Finance is expected to be available to attend meetings or portions thereof as required or deemed appropriate.

At the Audit Committee Chair's discretion, a guest may be allowed to attend Audit Committee Meetings as a non-voting attendee, from the Shareholder Body who is a non-Board Member.

8. Specific Duties

In carrying out its mandate, the Finance and Audit Committee will act in an advisory capacity to the Board of Directors, preparing recommendations for the Board's consideration and approval of the following:

At each Audit Committee Meeting:

Review the Financial Statements individually on a Quarterly basis prior to the Board Meeting, noting any concerns, mistakes, errors and/or omissions. Management will also include a "Letter of Confirmation" in regards to Statutory Payments with the statements.

January Meeting

- a) Consult with the auditors of the Corporation regarding any concerns or issues and review the company's accounting system and reporting risk and control including the internal control system for detecting accounting and finance errors and make recommendations for improvement.
- b) Prior to the release of the audited financial statements, the Committee will have an Audit Finance Meeting with the Auditor to review the Financial Statements and Management Recommendation Letter.
- c) Audit Committee will meet with the President in order to prepare a response for Management to deal with the Management Recommendation Letter.
- d) Ensure the Financial Statements are properly represented to the Shareholders (at AGM)
- e) Recommend the External Auditors to the Board of Directors.

February

- a) Formation of the Committee

May Meeting

- a) Yearly review of Terms of Reference and make any recommendations of any changes to the Board.
- b) Review the Shareholder Insurance obligations of the Company and make recommendations as to the appropriate levels of coverage.

August Meeting

- a) Review Directors and Officers Insurance on a yearly basis to ensure adequate coverage.
- b) Review procedures for complaints regarding accounting, internal controls and auditing, including employee's confidential anonymous concerns and recommend changes to the Board.
- c) Policies and Procedures related to the Finance and Audit Committee

November Meeting

- a) Meet the external Auditor prior to the commencement of the Audit for an Audit Planning Meeting.
- b) Provide recommendations for Terms of Reference for the future Management Report from the Auditors
- c) Review the current Levels of Authority and recommend any proposed changes to the President prior to Board approval.

As Needed:

- a) Monitor the appropriateness of the Corporation's Capital Structure (i.e. Treasury Shares, Debt/Equity)
- b) Review significant non-budgeted transactions outside the ordinary course of business, (i.e. purchase of a company, long term leases)

9. Miscellaneous

- The Committee may engage outside resources if deemed advisable.

Board approved _____