



**EUROMAX RESOURCES LTD.  
(the "Company")**

**AUDIT COMMITTEE CHARTER**

**(Adopted on May 2, 2005)**

**Organisation**

This charter governs the operations of the Audit Committee (the "Committee") of the Company. The Committee shall review and reassess the charter at least annually and obtain the approval of the Company's Board of Directors. The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three directors, the majority of whom are independent of management, subject to applicable regulations. All Committee members shall be financially literate. The quorum for any meeting of the Committee shall be a majority of its members.

**Purpose**

The Committee shall provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to:

- (i) the integrity of the Company's financial statements;
- (ii) the financial reporting process;
- (iii) the systems of internal accounting and financial controls;
- (iv) the performance of the Company's internal audit function and independent auditors;
- (v) the independent auditor's qualifications and independence; and
- (vi) the Company's compliance with ethics policies and legal and regulatory requirements.

In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, the internal auditors, and management of the Company.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

**Responsibilities**

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the 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. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour. The following shall be the principal direct responsibilities of the Committee:

1. Appointment and termination (subject, if applicable, to shareholder ratification), compensation, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditor regarding financial reporting.
2. Pre-approve all audit and non-audit services prepared by the independent auditors and shall not engage the independent auditors to perform the specific non-audit services prescribed by law or regulation. The Committee

may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

3. At least annually, obtain and review a report by the independent auditors describing:
  - (a) The firm's internal quality control procedures.
  - (b) Any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
  - (c) All relationships between the independent auditor and the Company (to assess the auditor's independence).
4. Establish clear hiring policies for employees or former employees of the independent auditors that meet the stock exchange listing standards.
5. Discuss, with the internal auditors (if any) and the independent auditors, the overall scope and plans for their respective audits, including the adequacy of staffing and compensation.
6. Discuss with management, the internal auditors (if any), and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (e.g. Company's Code of Conduct).
7. Periodically meet separately with management, the internal auditors (if any), and the independent auditors to discuss issues and concerns warranting Committee attention. The Committee shall provide sufficient opportunity for the internal auditors and the independent auditors to meet privately with the members of the Committee. The Committee shall review with the independent auditor any audit problems or difficulties and management's response.

The processes set forth represent a guide with the understanding that the Committee may supplement them as appropriate.

#### **Specifically Delegated Duties**

For purposes of this charter, specific accounting, financial and treasury related duties delegated to the Committee by the Company's Board of Directors include:

##### Accounting and Financial

1. Receive regular reports from the independent auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.
2. Where applicable, review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditor's report on management's assertion.
3. Review and discuss earnings press releases provided to shareholders and/or to be posted on the Company's website.
4. Review the interim quarterly unaudited financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditors prior to the filing of the Company's Quarterly Report and or their inclusion in any filing with regulatory authorities. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The chair of the Committee may represent the entire Committee for the purposes of this review.
5. Review with management and the independent auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report to shareholders and any other filing with regulatory authorities, including their judgment

about the quality, not just the acceptability of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards.

6. Establish procedures for the receipt, retention, and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
7. Perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

#### Treasury Related

1. Monitor and review risk management strategies as they pertain to the Company's general insurance programs, and foreign exchange and product hedging programs, and make recommendations to the Board of Directors with respect to such strategies.
2. Approve investment policies and appoint investment managers for the Company's retirement and other funded benefit plans.
3. Perform such other duties in respect of financial matters as, in the opinion of the Board of Directors, should be performed by the Committee.

Re-approved by the Board, 19 May 2015