

## AUDIT COMMITTEE DISCLOSURE REQUIRED BY NATIONAL INSTRUMENT 42-110

National Instrument 52-110 (“**NI 52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

### Audit Committee

The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. The Audit Committee also assists the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors. The Audit committee is also responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix “A”.

### Composition of the Audit Committee

The Audit Committee of the Company is comprised of the following members of the Board of the Company:

<b>Name</b>	<b>Corporate Position</b>	<b>Independent</b>	<b>Financial Literacy</b>
Elia Crespo	Director and Corporate Secretary	No	Yes
Arthur Thomas Griffis	President and Director	No	Yes

The following table describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

<b>Name of Member</b>	<b>Relevant Experience and Qualifications</b>
Elia Crespo	Ms. Crespo holds a degree in law, and has acted as Vice President of Finance and Chief Financial Officer of several private companies. In addition, she is a director of several private and public companies.
Arthur Thomas Griffis	Tom Griffis is the founder of Griffis Capital, a private investment and corporate management firm based in Toronto, Canada and Takoradi, Ghana. Griffis Capital has focused the majority of its activities on natural resource, technology and healthcare companies requiring early to mid stage financing. The focus of past activities has been in resource based assets located in Ghana, Argentina, Kazakhstan, USA and Canada and technology and healthcare companies with a primarily North America focus. Mr. Griffis has founded and served on the Board of Directors of several private and publicly traded companies in the resource, technology and healthcare sectors. Previously, Mr. Griffis was a pilot in the Canadian Armed Forces. During his 20 years of service he held several positions of

	command including as pilot and commander of the Canadian national aerobatic team the Snowbirds.
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### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Pre-Approval Policies and Procedures**

In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

### **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed to the Company by the external auditors for professional services:

<b>Year Ended</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2016	US\$5,500	<i>nil</i>	<i>nil</i>	<i>nil</i>
December 31, 2017	US\$5,500	<i>nil</i>	<i>nil</i>	<i>nil</i>

Audit Fees – aggregate fees billed for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed in respect of tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services, which included accounting advice and advice related to relocating employees.

## APPENDIX “A”

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### **OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

1.1 **Assist the Board of Directors in its oversight role with respect to:**

- (a) the quality and integrity of financial information;
- (b) the independent auditor’s performance, qualifications and independence;
- (c) the performance of the Company’s internal audit function, if applicable; and
- (d) the Company’s compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.

#### **MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors. Each of the members of the Audit Committee shall satisfy any applicable independence and experience requirements of the laws governing the Company, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

#### **STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

#### **SPECIFIC DUTIES**

##### **Oversight of the Independent Auditor**

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Company to be included in the Company's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

### **Financial Reporting**

- Review and discuss with management and the independent auditor:
  - prior to the annual audit the scope, planning and staffing of the annual audit,
  - the annual audited financial statements,
  - the Company's annual and quarterly disclosures made in management's discussion and analysis,
  - approve any reports for inclusion in the Company's Annual Report, if any, as required by applicable legislation,
  - the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
  - significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements,
  - any significant changes in the Company's selection or application of accounting

principles,

- any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

### **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Company's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Company in accordance with Canadian generally accepted accounting principles.

### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Company.

### **APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.