

# **AURIC MINERALS CORP.**

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## **Audit Committee Charter**

### **Organization and Purpose**

This Audit Committee Charter (the “Charter”) has been adopted by the Board of Directors (the “Board”) of the Company and this Charter governs the operation of the Audit Committee of the Board (the “Audit Committee”).

The purpose of the Audit Committee shall be to provide assistance to the Board in fulfilling its oversight responsibility to shareholders and others relating to:

- (1) the quality and integrity of
  - a. the financial statements
  - b. the accounting and financial reporting processes of the Company
  - c. the financial statement audits,
- (2) the Company’s compliance with applicable legal and regulatory requirements,
- (3) the Company’s independent auditors’ qualifications and independence,
- (4) the performance of the Company’s independent auditors and internal audit function.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to conduct investigations into any matters within its scope and to seek any information it requires from the Company’s employees, officers and directors. The Audit Committee shall have the authority to retain and compensate independent legal, accounting or other advisors. The Company shall pay the fees of such advisors as approved by the Audit Committee.

In fulfilling its purpose, it is the responsibility of the Audit Committee to maintain free and open communication with the Company’s independent auditors and the management of the Company, and to determine that the parties are aware of their responsibilities.

The Audit Committee shall make regular reports to the Board on the execution of its duties, any issues encountered and related recommendations. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee’s own performance. The Audit Committee shall also discuss with the Company’s independent auditors the auditors’ observations related to the effectiveness of the Audit Committee.

### **Committee Membership**

The Audit Committee shall consist of no fewer than three members, who is a director of the Board. All members of the Audit Committee shall be financially literate in accordance with the rules of the applicable stock exchange listing standards. The members of the Audit Committee shall be appointed by the Board and the Board shall designate one person as the chairperson or delegate the authority to designate a chairperson to the Audit Committee. Audit Committee members may be replaced by the Board.

### **Meetings**

The Audit Committee shall meet as often as it determines, but at least quarterly. The Audit Committee shall meet periodically with management and the Company’s independent auditors in separate executive sessions.

In discharging its oversight role, the Committee may request any officer or employee of the Company, outside counsel or any officer or employee of the Company to attend any Committee meeting in order to provide information or advice in connection with the matters to be addressed at the meeting.

### **Committee Authority and Responsibilities**

The Audit Committee shall have the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining control over financial reporting.

The Audit Committee shall be directly responsible for the Company's independent auditors for appointment or replacement. The Audit Committee shall be directly responsible for establishing the compensation and overseeing the work of the Company's independent auditors (including resolution of disagreements between management and the Company's independent auditors regarding financial reporting) in preparing or issuing an audit report or related work. The Company's independent auditors shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditors. The Audit Committee may delegate pre-approval authority to any member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

The following are the principal duties and responsibilities of the Audit Committee and are set forth as a guide, with the understanding that the Audit Committee may supplement them as appropriate.

#### ***Oversight of the Company's financial statements, accounting and financial reporting processes and financial statement audits***

- The Audit Committee shall meet to review and discuss the annual audited financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Company's independent auditors prior to the filing of the Company's Annual Report. The Audit Committee shall also discuss the results of the annual audit and any matters required to be communicated to the Audit Committee by the Company's independent auditors under the generally accepted auditing standards.
- The Audit Committee shall meet to review and discuss the quarterly financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Company's independent auditors prior to the filing of the Company's Quarterly Reports. The Audit Committee shall also discuss the results of the quarterly review, where applicable, and any matters required to be communicated to the Audit Committee by the Company's independent auditors under the generally accepted auditing standards.
- The Audit Committee's review of the financial statements shall include:
  - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, the Company's internal controls over financial reporting (including any major issues as to the adequacy of such controls) and, if needed, any special steps adopted in light of material control deficiencies.
  - Discussions with Company management and the Company's independent auditors regarding significant, complex and unusual transactions.
  - Discussions with Company management and the Company's independent auditors regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
  - Discussions with Company management and the Company's independent auditors regarding the effect of regulatory and accounting initiatives as well as off-balance sheet structures on

the Company's financial statements.

- The Audit Committee shall receive and review a report from the Company's independent auditors prior to the filing with the Commission of the Company's Annual Report with respect to the following:
  - (a) All critical accounting policies and practices used.
  - (b) All material alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment prepared by the Company's independent auditors.
  - (c) Other material written communications between the Company's independent auditors and management.
  - (d) Adjustments proposed by the Company's independent auditors that were "passed" as immaterial or otherwise.
  - (e) The Management representation letter
- The Audit Committee shall review and discuss with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- The Audit Committee shall regularly review and discuss with the Company's independent auditors any audit problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management. The Audit Committee shall review any accounting adjustments proposed by the Company's independent auditors that were "passed," and any "management" or "internal control" letter issued or proposed to be issued.
- The Audit Committee shall discuss with management and the Company's independent auditors any (1) changes in internal control over financial reporting that have materially affected or are likely to materially affect the Company's internal control over financial reporting that are required to be disclosed and (2) any other changes in internal control over financial reporting that were considered for disclosure in the Company's periodic filings with the Commission.
- The Audit Committee shall review disclosures made to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer about any significant deficiencies in the design or operation of internal controls or material weakness therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

***Oversight of the Company's compliance with legal and regulatory requirements***

- The Audit Committee shall inquire of the Company's independent auditors if they have detected or become aware of information regarding the occurrence of an illegal.
- The Audit Committee shall review reports and disclosures of transactions between the Company and any insider or related party.
- The Audit Committee shall establish and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Audit Committee shall discuss with the Company's management and independent auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
- The Audit Committee shall review with senior management the Company's overall anti-fraud programs and controls.
- The Audit Committee shall discuss with management the Company's policies with respect to risk assessment and risk management, including the risk of fraud. The Audit Committee shall also

discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures

- The Audit Committee shall review the Company's compliance and ethics programs including consideration of applicable legal and regulatory requirements and shall review with management its periodic evaluation of the effectiveness of such programs. The Audit Committee shall review the Company's code of conduct and programs that management has established to monitor compliance with such code.
- The Audit Committee shall receive and review any reports from the Company's attorneys relating to legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- The Audit Committee shall evaluate with management the benefits and cost of establishing an internal audit function.

***Oversight of the Company's independent auditors' qualifications, independence and performance***

- At least annually, the Audit Committee shall obtain and review a report from the Company's independent auditors describing (a) the independent auditors' 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 and (c) all relationships between the independent auditors and the Company.
- The Audit Committee shall determine that the Company's independent registered public accounting firm has a process in place to ensure the rotation of the lead audit partner and other audit partners serving the account as required under the Commission independence rules.
- The Audit Committee shall discuss with the Company's independent auditors, significant technical issues on which the Company's audit team consulted their national office, and significant matters of audit quality and consistency.
- The Audit Committee shall meet with the Company's management and independent auditors prior to the audit to discuss the planning and staffing of the audit.

***Other Audit Committee's responsibilities and limitations***

- The Audit Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the Company's independent auditors who participated in any capacity in the audit of the Company consistent with the requirements of the Commission and applicable stock exchanges.
- The Audit Committee shall perform any other activity required by this Charter, the Company's by-laws or governing laws and which could have a significant impact on the Company's financial statements.
- The Company's management has the primary responsibility for the financial statements and the reporting process, including the Company's system of internal controls and disclosure controls and procedures. The Company's independent auditors audit the Company's financial statements and express an opinion on the financial statements based on the audit and attest to any report of the Company's management on the Company's internal controls for financial reporting required by the rules of the Commission. The Audit Committee oversees (i) the accounting and financial reporting processes of the Company and (ii) the audits or reviews of the financial statements of the Company on behalf of the Board. While the Audit Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or reviews or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations or that the Company's internal controls for financial reporting are in compliance with law and other applicable requirements. These are the responsibilities of Company management and the Company's independent auditors.