



CHIBOUGAMAU INDEPENDENT MINES INC.

AUDIT COMMITTEE CHARTER

1.0 PURPOSE

- 1.1 The Audit Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”) of Chibougamau Independent Mines Inc. (“**CBG**”) charged with assisting the Board in fulfilling its responsibility to the shareholders. Its role is to:
- (a) serve as an independent and objective party to oversee CBG’s accounting and financial reporting processes, internal control system and audits of its financial statements;
 - (b) review and appraise the audit efforts of CBG’s external auditors; and
 - (c) provide an open avenue of communication among the external auditors, financial and senior management of CBG, and the Board.

2.0 COMMITTEE MEMBERSHIP

- 2.1 The Board of CBG shall annually appoint a minimum of three members of the Committee, all of whom shall be directors of CBG. All of the members of the Committee must be “independent” within the meaning of National Instrument 52-110 *Audit Committees (“NI 52-110”)*, as such meaning may be amended from time-to-time, unless CBG is exempt from the requirement regarding independence as a “venture issuer” under NI 52-110.
- 2.2 All members of the Committee must be financially literate, or if not financially literate at the time of their appointments, must become so within a reasonable period of time following their appointments, unless CBG is exempt from the requirements regarding financial literacy as a “venture issuer” under NI 52-110.
- 2.3 Members of the Committee shall be appointed each year at the first meeting of the Board held following the annual meeting of shareholders of CBG.
- 2.4 A member may resign from the Committee and may be removed at any time by the Board. A member of the Committee shall automatically cease to be a member at such time as that individual ceases to be a director of CBG. The Board may at any time fill a vacancy on the Committee.

3.0 CHAIR OF THE COMMITTEE

- 3.1 The Board shall appoint a Chair of the Committee annually from among the members of the Committee. In the Chair’s absence, or if the position is vacant, the Committee may select a member to act as interim Chair.
- 3.2 The Chair shall have the right to exercise all powers of the Committee between meetings but shall attempt to involve all other members as appropriate prior to the exercise of any powers and shall, in any event, advise all other members of any decisions made or powers exercised as soon as practicable thereafter.

3.3 The Chair shall be responsible for:

- (a) ensuring that the Committee meets regularly and performs its duties as set out herein; and
- (b) reporting to the Board on the activities of the Committee.

4.0 **RESPONSIBILITIES**

4.1 The Audit Committee shall be responsible for:

- (a) recommending to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for CBG, which external auditor shall report directly to the Committee;
- (b) recommending to the Board the compensation of the external auditor;
- (c) obtaining and reviewing a report from the external auditor at least annually regarding:
 - (i) the external auditor's internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the external auditor, 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 such external auditor;
 - (iii) any steps taken to deal with any such issues; and
 - (iv) all relationships between the external auditor and CBG, including non-audit services;
- (d) evaluating the qualifications, performance and independence of the external auditor, including considering whether the external auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and internal auditors, and presenting its conclusions regarding the external auditor to the Board;
- (e) satisfying itself with respect to the rotation of the audit partners of the external auditor and considering whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the external auditor on a regular basis;
- (f) meeting with the external auditor and financial management of CBG to review the scope of the proposed audit for the current year and the audit procedures to be used;
- (g) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for CBG, including the resolution of any disagreements between management and the external auditor regarding financial reporting;

- (h) pre-approving all non-audit services to be provided to CBG or its subsidiary entities by CBG's external auditor;
- (i) reviewing the performance of the external auditors;
- (j) reviewing with management and the external auditors:
 - (i) CBG's audited financial statements and the notes thereto, MD&A and any annual profit or loss press releases before CBG publicly discloses this information;
 - (ii) any significant changes required in the external auditor's audit plan and any serious difficulties or disputes with management encountered during the course of the audit;
 - (iii) other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards; and
 - (iv) CBG's critical accounting policies, at least annually;
- (k) satisfying itself that CBG's annual audited financial statements are fairly presented in accordance with applicable International Financial Reporting Standards, and recommending to the Board whether the annual financial statements should be approved and included in CBG's Annual Report;
- (l) reviewing with management CBG's unaudited interim financial statements and the notes thereto, interim MD&A and any interim profit or loss press releases before CBG publicly discloses this information;
- (m) recommending to the Board whether CBG's interim unaudited financial statements should be approved;
- (n) reviewing with the external auditor and management the quality of CBG's accounting principles as applied in its financial reporting process and any proposed changes in accounting principles;
- (o) satisfying itself that CBG has implemented appropriate systems of internal control over accounting and financial reporting and the safeguarding of CBG's assets and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting CBG's assets, management and financial and business operations, and that these are operating effectively;
- (p) satisfying itself that adequate procedures are in place for the review of CBG's public disclosure of financial information extracted or derived from CBG's financial statements, other than the public disclosure referred to in paragraph (j)(i) and in paragraph (k) above, and periodically assessing the adequacy of those procedures;
- (q) establishing procedures for the receipt, retention and treatment of complaints received by CBG regarding accounting, internal accounting controls, or auditing matters and for the confidential,

anonymous submission by CBG's employees of concerns regarding questionable accounting or auditing matters;

- (r) reviewing and approving CBG's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of CBG; and
- (s) performing any other activities consistent with this Charter, CBG's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

4.2 The Committee may delegate to one or more independent members the authority to preapprove non-audit services in satisfaction of section 4.1(h) above, provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

5.0 MEETINGS

5.1 The Chairman shall appoint a secretary (the "**Secretary**") who shall keep minutes of all meetings of the Committee. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.

5.2 No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum.

5.3 The Committee shall meet as often as it deems necessary to carry out its responsibilities.

5.4 The time at which, and the place where, the meetings of the Committee shall be held, and the procedure in all respects of such meetings, shall be determined by the Committee, unless otherwise provided for in the By-laws of CBG or otherwise determined by resolution of the Board.

5.5 Meetings may be held in person, by teleconference or by videoconference.

5.6 Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present.

5.7 Minutes of the Committee shall be kept by the Secretary. The approved minutes of the Committee shall be circulated to the Board forthwith and duly entered in the books of CBG.

6.0 ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS

6.1 The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of CBG.

6.2 The Committee may invite such other persons (e.g. the CEO, CFO and Controller) to its meetings, as it deems necessary.

- 6.3 The Committee shall have the authority to engage independent legal, accounting or other relevant advisors as it may determine necessary or appropriate to allow it to carry out its duties, at the expense of CBG, and set and pay the compensation for any such advisors employed by the Committee.
- 6.4 Any advisors retained shall report directly to the Committee and provide the Board and management with written copies of all findings on a timely basis.
- 6.5 The Committee shall have the authority to communicate directly with CBG's internal and external auditors.
- 7.0 **REPORTING REQUIREMENTS**
- 7.1 The Committee shall make regular reports to the Board, through the Chair, following meetings of the Committee.
- 7.2 The Committee shall prepare, if it deems it advisable or necessary, an annual report to shareholders for inclusion in CBG's annual Management Information Circular.
- 8.0 **ANNUAL REVIEW AND ASSESSMENT**
- 8.1 The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 8.2 The Committee shall review its own performance annually.
- 9.0 **REMUNERATION**
- 9.1 The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.