



Audit Committee Charter

1. Purpose

The purpose of the Audit Committee (the "Audit Committee") of the Board of Directors (the "Board") of the Company) is to:

- select and evaluate the independent auditors;
- assist the Board with respect to accounting, auditing, financial reporting, internal control and legal compliance functions;
- provide oversight with respect to the annual audit of the financial statements and the quarterly review process; and
- provide oversight with respect to financial reporting, internal controls, legal and regulatory compliance and disclosure controls, including preparation of any report required to be filed or submitted by the Audit Committee pursuant to applicable laws, rules or regulations.

For the purpose of this charter, "Applicable Rules" means applicable laws, regulations, rules, policy statements or guidelines, stock exchange rules and regulations and rules, regulations and standards of applicable self-regulating organizations, and includes (1) the United States Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated under that act, the "Exchange Act"), (2) the United States Sarbanes-Oxley Act of 2002 (together with the rules and regulations promulgated under that act, "S Ox"), (3) laws, rules and regulations of the United States Securities and Exchange Commission, (4) the rules and regulations of The Nasdaq Stock Market, Inc. ("Nasdaq"), (5) Canadian provincial and territorial securities laws, rules and regulations, (6) the rules and regulations of the Toronto Stock Exchange ("TSX"), (7) rules, regulations and standards of the United States Public Company Accounting Oversight Board and (8) rules and regulations and standards of the Canadian Institute of Chartered Accountants or any similar provincial institute or order.

2. Membership

All of the members of the Audit Committee will meet the criteria for independence contained in Applicable Rules, including the ability to make objective decisions that may be in conflict with the interests of management. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the preceding three years. The Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Audit Committee annually and as vacancies or newly created positions occur. Audit Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Audit Committee.

All members of the Audit Committee shall be financially literate, including the ability to read and understand a set of financial statements including a balance sheet, statement of operations, statement of changes in shareholders' equity and cash flow statement (including the Company's financial statements) and the accounting principles, internal controls and procedures for financial reporting applied with respect to such statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Pursuant to Applicable Rules, at least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Unless expressly permitted by Applicable Rules, members of the Audit Committee may not accept any consulting, advisory, or other compensatory fee from the Company, any of its subsidiaries or the parent of the Company, other than director and committee fees, directors' compensation through equity-based compensation plans and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and may not be an affiliated person of the Company or any of its subsidiaries (within the meaning of Canadian Applicable Rules).

3. Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Audit Committee is responsible for the following matters.

a. Selection, Evaluation and Oversight of the Auditors

The Audit Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Audit Committee. The registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's annual report (the "Annual Report") on Form 40-F, 20-F or 10-K, as applicable, or otherwise required under Applicable Rules, is referred to herein as the "independent auditors"). Specifically, the Audit Committee will select, evaluate and nominate the independent auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders.

The Audit Committee shall review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and all permitted non-audit engagements and relationships between the Company and such independent auditors, as provided in Applicable Rules (which approval should be made after receiving input from the Company's management, if requested). In determining the independent auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports to be issued by the independent auditor, the quality of the internal controls of the Company, the size, complexity and financial condition of the Company and the extent of internal audit and other support to be provided to the independent auditor by the Company.

Approval of audit and permitted non-audit services will be made by the Audit Committee, who shall also determine that the independent auditors' provision of any permitted non-audit services is compatible with maintaining its independence. [The Audit Committee may delegate to one or more members the authority to pre approve the appointment of the independent auditor for any non-audit service to the extent permitted by Applicable Rules, provided that any pre-approvals granted pursuant to this delegation shall be reported to the full Audit Committee at its next scheduled meeting.]

The Audit Committee shall review the performance of the Company's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion, make decisions regarding the replacement or termination of the independent auditors when circumstances warrant. The Audit Committee shall obtain at least annually from the Company's independent auditors and review a report describing:

- the independent auditors' internal quality-control procedures;
- any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and
- all relationships between the independent auditors and the Company (including a description of each category of services provided by the independent auditors to the Company and a list of the fees billed for each such category).

The Audit Committee should present its conclusions with respect to the above matters, as well as its review of the lead partner of the independent auditors, and its views on whether there should be a regular rotation of the independent auditors, to the Board.

The Audit Committee shall evaluate the independence of the Company's independent auditors by, among other things:

- monitoring compliance by the Company's independent auditors with the audit partner rotation requirements of Applicable Rules;
- monitoring compliance by the Company of the employee conflict of interest requirements of Applicable Rules; and
- engaging in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with applicable laws, rules or regulations of the Securities and Exchange Commission, the Public Company Accounting Oversight Board, Canadian securities authorities (collectively, "Applicable Regulations").

b. Oversight of Annual Audit and Quarterly Reviews

The Audit Committee shall review and discuss with the independent auditors their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year. The Audit Committee will ensure that the audit plan is appropriate, risk based and that it addresses any

significant areas of concern identified by the auditor, the Audit Committee or the Company.

The Audit Committee shall review with management, the Company's independent auditors and the director of the Company's internal auditing department, the following information which is required to be reported by the independent auditor:

- all critical accounting policies and practices to be used;
- the Audit Committee's assessment of key management estimates, assumptions and judgments that are material to the financial information disclosed by the Company;
- all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
- all other material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences; and
- any material financial arrangements of the Company which do not appear on the financial statements of the Company or in the notes thereto.

c. Oversight of the Financial Reporting Process

The Audit Committee shall review with management, the Company's independent auditors and, if appropriate, the director of the Company's internal auditing department, the following:

- the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto;
- major issues regarding accounting principles and financial statements presentations, including any significant changes in the Company's selection or application of accounting principles;
- any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles methods on the Company's financial statements; and
- the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

The Audit Committee shall review the type and presentation of information to be included in the Company's earnings press releases or other press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies (which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made), and the Audit Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance).

The Audit Committee shall resolve all disagreements between the Company's independent auditors and management regarding financial reporting. The Audit Committee will also review all other financial statements of the Company that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities or Applicable Rules.

d. Oversight of Internal Controls

The Audit Committee shall review:

- the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Company's independent auditors, outside internal control consultants, management and director of the Company's internal auditing department;
- the yearly report prepared by management, and attested to by the Company's independent auditors (when required under Applicable Rules), assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report or other required filing; and

- " the Audit Committee's level of involvement and interaction with the Company's internal audit function, including the Audit Committee's line of authority and role in appointing and compensating employees in the internal audit function.

The Audit Committee shall review with the chief executive officer, chief financial officer and independent auditors, periodically, the following:

- all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;
- the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Audit Committee, direct the Company's chief executive officer to assign additional internal audit projects to the director of the Company's internal auditing department;
- the administrative, operational and accounting internal controls, including any special audit steps adopted in light of the discovery of material control deficiencies;
- reports required to be filed or submitted pursuant to Applicable Rules;
- the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company; and
- the controls and procedures that have been adopted by the Company to confirm that material information about the Company and its subsidiaries that is required to be disclosed under Applicable Rules is disclosed.

The Audit Committee will ensure the quality, timeliness and accuracy of all public disclosure of financial information of the Company and ensure that it is complete, fairly represents material information and complies with all Applicable Rules. The Audit Committee will ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the financial statements and periodically review the adequacy of those procedures.

e. Audit Committee Shall be the QLCC

The Audit Committee shall also serve as the Qualified Legal Compliance Committee ("QLCC"), as such term is defined by the Securities and Exchange Commission in 17 CFR 205, and perform the duties set forth on Attachment 1 to this Charter.

4. Reporting to the Board

The Audit Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive officer compensation, management succession planning and any other matters that the Audit Committee deems appropriate or is requested to be included by the Board.

At least annually, the Audit Committee shall evaluate its own performance and report to the Board on such evaluation.

The Audit Committee shall periodically, but no less frequently than annually, review and assess the adequacy of this charter and recommend any proposed changes to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will review this charter and submit it to the Board for approval with such further amendments as it deems necessary and appropriate. This charter must be disclosed annually to shareholders of the Company or, if significant amendments are made to the charter, in the next management proxy circular following the adoption of those amendments.

5. Authority and Access to Outside Advisors

The Audit Committee may conduct or authorize investigations into or studies of matters within the Audit Committee's scope of responsibilities. The Audit Committee may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary, without Board approval at any time and has the sole authority to determine such advisor's fees and other retention terms.

6. Procedures

The Audit Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter. The Audit Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee should meet separately on a periodic basis with (i) management, (ii) the director of the Company's internal auditing department or other person responsible for the internal audit function and (iii) the Company's independent auditors, in each case to discuss any matters that the Audit Committee or any of the above persons or firms believe warrant Audit Committee attention.

The Audit Committee shall meet periodically with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on the financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees or agents or breaches of fiduciary duty to the Company.

The Audit Committee shall establish and maintain free and open means of communication between and among the Audit Committee, the Company's independent auditors, the Company's internal auditing department and management, including providing such parties with appropriate opportunities to meet separately and privately with the Audit Committee on a periodic basis.

A majority of the members of the Audit Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Audit Committee by appointment from among qualified members of the Board. If a vacancy exists on the Audit Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

The Audit Committee shall maintain minutes of its meetings and records relating to those meetings.

Qualified Legal Compliance Committee ("QLCC")

DUTIES AND RESPONSIBILITIES

The QLCC has the authority and responsibility to:

- Adopt written procedures for the confidential receipt, retention and treatment of any report of evidence of a material violation of any applicable United States federal or state securities law, a material breach of fiduciary duty arising under United States federal or state law or a similar material violation of any United States federal or state law ("Material Violation");
- Inform the Company's General Counsel and Chief Executive Officer (or the equivalents thereof) of any report of evidence of a Material Violation, except if the QLCC believes that to do so would be futile;
- Determine whether an investigation is necessary regarding any report of evidence of a Material Violation by the Company, its officers, directors, employees or agents and, if it determines an investigation is necessary or appropriate, to:
 - notify the full Board of Directors;
 - initiate an investigation, which may be conducted either by the General Counsel (or equivalent) or by outside attorneys; and
 - retain such additional expert personnel as the QLCC deems necessary;
- If such investigation was necessary, then at the conclusion, to:
 - recommend, by a majority vote, that the Company implement an appropriate response to evidence of a Material Violation;
 - inform the General Counsel, the Chief Executive Officer (or the equivalents thereof) and the Board of Directors of the results of any such investigation and the appropriate remedial measures to be adopted; and
 - by majority vote, to take all other appropriate action, including notifying the authority to notify the Securities and Exchange Commission in the event that the Company fails in any material respect to implement an appropriate response that the QLCC has recommended.

January 19, 2006