

**GITENNES EXPLORATION INC.**  
(the “Corporation”)

**AUDIT COMMITTEE CHARTER**

**MANDATE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the "Board") to assist the Board in fulfilling its oversight responsibilities.

The Committee’s primary duties and responsibilities are to:

- Review and assess management’s overall process to identify principal risks that could affect financial reporting and the achievement of the Corporation’s business plans, and to monitor the process to manage such risks.
- Oversee and monitor the Corporation’s compliance with legal and regulatory requirements.
- Be directly responsible for the appointment, compensation and oversight of the external auditors.
- Oversee audits of the Corporation’s financial statements.
- Oversee and monitor the qualifications, independence and performance of the Corporation’s external auditors.
- Oversee and monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
- Provide an avenue of communication among the external auditors, management, and the Board.
- Report to the Board regularly.

The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The committee shall have unrestricted access to personnel and information in the Corporation, and to the external auditor, and to any resources necessary to carry out its responsibility including the ability to retain, at the Corporation’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

**MAJOR RESPONSIBILITIES AND FUNCTIONS**

***Review Procedures***

Review and update the Committee’s charter at least annually and provide a summary of the Committee’s composition and responsibilities in the Corporation’s annual report or other public disclosure documentation.

***Annual Financial Statements***

1. Discuss and review with management and the external auditors the Corporation’s annual audited financial statements and related documents prior to their filing or distribution.

2. Review and formally recommend approval to the Board, the Corporation's:
  - (a) year-end audited financial statements;
  - (b) Management's Discussion and Analysis; and
  - (c) Annual Information Form.

The review shall include a report prepared by the external auditors about the quality of the most significant accounting principles and practices governing the Corporation's financial statements, and which involve the most complex, subjective or significant judgemental decisions or assessments.

### ***Quarterly Financial Statements***

3. Review with management and, where applicable the external auditors, and either approve, including authorization for public release, or formally recommend for approval to the Board the Corporation's:
  - (a) quarterly unaudited financial statements and related documents, including Management's Discussion and Analysis; and
  - (b) any significant changes to the Corporation's accounting principles.
4. Where applicable, review and discuss quarterly reports from the external auditors regarding:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
  - (c) other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.

### ***Internal Control Environment***

5. Ensure that management provide to the Committee an annual report on the Corporation's control environment as it pertains to the Corporation's financial reporting process and controls.
6. Review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Corporation.

7. Review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Committee's view to the Board of Directors.
8. Review significant findings prepared by the external auditors, together with management's responses.

***Other Review Items***

9. Review policies and procedures with respect to officers' and directors' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the external auditors.
10. Review all insider transactions and related party transactions between the Corporation and any officers or directors.
11. Review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have a material impact on the interim or annual financial statements, related corporation compliance policies, and programs and reports received from regulators or governmental agencies.
12. Review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the external auditors.
13. Review with the Chief Executive Officer, the Chief Financial Officer of the Corporation and the external auditors:
  - (a) all significant deficiencies identified and material weaknesses in the design or operation of the Corporation's internal controls and procedures for financial reporting which could adversely affect the Corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under governing legislation; and
  - (b) any fraud, whether or not material, that involves management of the Corporation or other employees who have a significant role in the Corporation's internal controls and procedures for financial reporting.
14. Review all prospectuses and information circulars as to financial information.

***External Auditors***

15. Be directly responsible, in the Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation and oversight of the work of the external auditors (including resolution of disagreements

- between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditors shall report directly to the Committee.
16. Meet on a regular basis with the external auditors (without management present) and have the external auditors be available to attend Committee meetings or portions thereof at the request of the Chairman of the Committee or a majority of the members of the Committee.
  17. Review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation:
    - (a) receiving and reviewing, as a part of the auditors' report, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation and its affiliates; and
    - (b) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors.
  18. Review and evaluate:
    - (a) the external auditor's and the lead partner of the external auditor team's performance, and make a recommendation to the Board regarding the reappointment of the external auditors at the annual meeting of the Corporation's shareholders or regarding the discharge of such external auditors;
    - (b) the terms of engagement of the external auditors, together with their proposed fees;
    - (c) external audit plans and results;
    - (d) any other related audit engagement matters; and
    - (e) the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.
  19. Upon reviewing and discussing the information provided to the Committee in accordance with paragraphs 17 and 18, evaluate the external auditors' qualifications, performance and independence, and consider whether the provision of permitted non-audit services is compatible with maintaining auditor independence, taking into account the opinions of management. The Committee shall present its conclusions with respect to the external auditors to the Board.

20. 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. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
21. Consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors, including a review of management consulting services and related fees provided by the external auditors compared to those of other audit firms.

**Approval of Audit and Non-Audit Services**

22. Review and, where appropriate, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.
23. Review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors (subject to the de minimus exception for non-audit services prescribed in applicable legislation which are approved by the Committee prior to the completion of the audit).
24. If the pre-approvals contemplated in paragraphs 23 and 24 are not obtained, approve, where appropriate and permitted, the provision of all audit and non-audit services promptly after the Committee or a member of the Committee to whom authority is delegated becomes aware of the provision of those services.
25. Delegate, if the Committee deems necessary or desirable, to subcommittees consisting of one or more members of the Committee, the authority to grant the pre-approvals and approvals described in paragraphs 23 through 25. The decision of any such subcommittee to grant pre-approval shall be presented to the full Committee at the next scheduled Committee meeting.

***Other matters***

26. Review and concur in the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer, and other key financial executives in the financial reporting process.
27. Review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
28. Report Committee actions to the Board with such recommendations, as the Committee may deem appropriate.
29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

30. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.
31. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
32. The Committee shall evaluate its performance annually.
33. Perform such other functions as required by law, the Corporation's charter or bylaws, or the Board.
34. Consider any other matters referred to it by the Board.
35. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and
  - (b) the confidential submission by employees of the Corporation of concerns regarding questionable accounting controls or auditing matters.

## **OPERATION OF COMMITTEE**

### ***Reporting***

The Committee shall report to the Board. The full Board shall be kept informed of the Committee's activities by a report following each Committee meeting.

### ***Composition of Committee***

The Committee shall consist of not less than three Directors as determined by the Board, all of whom shall qualify as independent Directors and who are free from any relationship that would interfere with the exercise of his or her independent judgement.

All members of the Committee shall have the financial literacy to be able to read and understand the Corporation's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### ***Appointment of Committee Members***

Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

***Vacancies***

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

***Chairman***

The Corporate Governance Committee shall recommend an independent director as Chairman of the Committee to the Board for approval. The Board shall appoint the Chairman of the Committee.

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

***Secretary***

The Committee shall appoint a Secretary who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.

***Compensation***

Committee members may not, other than in their respective capacities as members of the Committee, the Board or any other committee of the Board, accept any consulting, advisory or other compensatory fee from the Corporation or its affiliates. For greater certainty, director's fees are the only compensation an audit committee member may receive from the Corporation or its affiliates, other than direct compensation up to any maximum threshold permitted at law and any money received as pension or deferred income that is not contingent on continued service.

***Committee Meetings***

The Committee shall meet at least quarterly at the call of the Chairman. The Chairman of the Committee may call additional meetings as required. In addition, a meeting may be called by any director or by the external auditors.

Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

***Notice of Meeting***

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Committee and to external auditors at least 48 hours prior to the time fixed for such meeting.

A member and the external auditors may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the

grounds that the meeting was not lawfully called.

***Quorum***

A majority of committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

***Attendance at Meetings***

The Chief Executive Officer and the Chief Financial Officer are expected to be available to attend meetings, but a portion of every meeting will be reserved for in-camera discussion without members of management being present.

The Committee should meet, on a regular basis and without management present, with the external auditors and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.

The Committee may by specific invitation have other resource persons in attendance.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

***Minutes***

Minutes of Committee meetings shall be sent to all Committee members and to the external auditors.

***Engaging Outside Resources***

The Committee is empowered to engage such outside resources, as it deems advisable, at the expense of the Corporation.

**Approved** by the Board this 18<sup>th</sup> day of March, 2005.