

AUDIT COMMITTEE CHARTER

Section 1 PURPOSE

The Audit Committee (the “**Committee**”) is a committee of the Board of directors (the “**Board**”) of Supremex Inc. (“**Supremex**” or the “**Corporation**”). Its primary function is to assist the Board in its oversight and supervision of (i) the integrity of the financial reporting of Supremex, (ii) Supremex’ internal controls, (iii) the independence, qualifications and performance of the Corporation’s external auditor (the “**External Auditor**”), and (iv) Supremex’ compliance with applicable securities legislation.

The Committee shall primarily fulfill these responsibilities by carrying out the activities enumerated in this Charter. However, it is not the responsibility of the Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards (“**IFRS**”), to conduct investigations, or to assure compliance with laws and regulations or Supremex’ internal policies, procedures and controls, as these are the responsibility of Supremex management team (“**Management**”) and, in certain cases, the External Auditor. This Charter is a broad policy statement and is intended to be part of Committee’s flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Corporation’s articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Corporation. Nothing in this Charter is intended to make the Committee liable for any non-compliance by Supremex with applicable laws and regulations.

Section 2 COMPOSITION AND MEETINGS

- (1) The Committee shall be composed as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”), of at least, three independent directors of Supremex.
- (2) The Committee shall be comprised of such members as are determined by the Board, all of whom (except to the extent permitted by NI 52-110) shall be independent directors of Supremex (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- (3) The members of the Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.
- (4) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of their powers so long as a quorum remains.
- (5) The Committee shall meet at least four times annually and such meetings shall correspond with the Corporation’s reporting cycle or more frequently as circumstances require. The Committee may ask members of Management or others to attend meetings and provide pertinent information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role, and shall be permitted to discuss such information and any other

matters relating to the financial position of Supremex with senior employees, officers and the External Auditor of Supremex, and others as they consider appropriate.

- (6) In order to foster open communication, the Committee or its Chair shall meet, when deemed appropriate, with Management and the External Auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately.
- (7) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- (8) Meetings of the Committee shall be held from time to time upon reasonable notice to each of its members, which shall not be less than 48 hours. Any member of the Committee may request a meeting of the Committee. The notice period may be waived by all members of the Committee. Each of the Chairman of the Board, the External Auditor, the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary of Supremex, shall be entitled to request that any member of the Committee call a meeting.
- (9) The Committee shall determine any desired agenda items. The Chair shall ensure that documents referred to in the agenda are forwarded to members of the Committee sufficiently in advance for their perusal.
- (10) Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee. The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Committee meetings. Minutes of Committee meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity, and subsequently presented to the Committee for approval.

Section 3 ROLE

The Committee shall:

- (1) Recommend to the Board the appointment and compensation of the External Auditor.
- (2) Review and approve all audit services provided by the External Auditors.
- (3) Oversee the work of the External Auditor, including its independence and the resolution of any issues between the External Auditor and Management.
- (4) Pre-approve the list of non-audit services (or delegate such pre-approval if and to the extent permitted by law) to be provided to Supremex or its subsidiaries by the External Auditor.
- (5) Review and recommend to the Board the approval of the annual audited financial statements and interim unaudited financial statements, related management discussion and analysis (“MD&A”), annual and interim earnings, and press releases before such information is publicly disclosed.
- (6) Ensure that adequate procedures are in place for the review of the financial information extracted or derived from its financial statements and/or MD&A contained in Supremex’ public documents, including periodically assessing the adequacy of such procedures.

- (7) Review and approve any proposed hiring of current or former partner or employee of the current and former External Auditor of Supremex.
- (8) Discuss with the External Auditor the appropriateness of the accounting policies applied in the Corporation's financial reports and any significant changes to the Corporation's accounting policies, principles and practices.
- (9) Periodically consult with the External Auditor out of the presence of Management about significant risks or exposures, internal controls and other steps that Management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (10) Review with the External Auditor and Management significant findings and any audit problems encountered in the normal course of the audit or interim reporting and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review shall be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
- (11) Discuss with the External Auditor and Management whether they have knowledge of any instance of allegations of employee fraud or any suspected employee fraud.
- (12) Review Management's process for identification of, approval of and accounting for related party transactions.
- (13) Review and discuss, on an annual basis, with the External Auditor all significant relationships they have with Supremex to assess its independence.
- (14) Perform an annual assessment of the External Auditor as recommended by the Canadian Public Accountability Board. At least every five years, conduct a comprehensive review of the External Auditor.
- (15) Review the scope and plans of the External Auditor's audit and reviews. The Committee may authorize the External Auditor to perform supplemental reviews or audits as the Committee may deem desirable.
- (16) Review, at least annually, the dividend policy and recommend the approval of the declaration and payments of dividends by the Board in accordance thereto.

Section 4 COMMITTEE REPORTING

- (1) Review on an annual basis and recommend to the Board changes to this Charter as considered appropriate from time to time.
- (2) Review the public disclosure regarding the Committee required by NI 52-110.
- (3) Review activities, organizational structure and qualifications of the Chief Financial Officer and ensure that matters related to succession planning are raised for consideration by the Board.
- (4) Review with Management and the External Auditor, recent professional and regulatory pronouncements and understand their impact on financial reports.

- (5) Review Management's updates on legal and regulatory matters and examine and discuss the foreseeable repercussions of any such updates on the financial statements of the Corporation and its risk management.
- (6) Review Management's program of risk assessment and steps taken to address significant financial disclosure risk or exposures.
- (7) Review Management's process for ensuring that Management of the Corporation evaluates the effectiveness of the Corporation's disclosure controls and procedures and internal control over financial reporting.
- (8) Review the financial information and disclosures contained in the Corporation's annual information form, press releases (including any guidance on earnings), and prospectuses (if any).
- (9) Establish procedures for: the receipt, retention and treatment of complaints received by Supremex regarding accounting, internal accounting controls or auditing matters; and the confidential, anonymous submission by Supremex employees of concerns regarding questionable accounting or auditing matters.
- (10) Evaluate the Committee's own performance, both of individual members and collectively on an annual basis.

Section 5 GENERAL MATTERS

- (1) The Committee is authorized to retain independent counsel, accountants, consultants and any other professionals ("**Advisors**") it deems necessary to carry out its duties, and the Committee shall have the authority to determine the compensation of and to cause Supremex to pay any such Advisors.
- (2) The Committee is authorized to communicate directly with the External Auditor as it sees fit.
- (3) The Committee also has the authority to delegate certain responsibilities to individual members or subcommittees of the Committee in accordance with NI 52-110.
- (4) If considered appropriated by it, the Committee is authorized to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, and to perform any other activities as the Committee deems necessary or appropriate.
- (5) The Committee is a committee of the Board and is not and shall not be deemed to be an agent of Supremex' shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security holders of Supremex or to any other liability whatsoever.

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