



## UNIGOLD INC.

### MANDATE OF THE AUDIT COMMITTEE

*This mandate was approved by the Board of Directors of Unigold Inc. on March 26, 2014, and replaces all previous mandates, charters, terms of reference or other similar documents prescribing the procedures, powers and duties of the Audit Committee.*

#### 1. PURPOSE AND OBJECTIVES

The audit committee (the "Committee") will assist the directors (the "Directors") of Unigold Inc. (the "Corporation") in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will review the financial reporting process of the Corporation, the system of internal controls and management of the financial risks of the Corporation and the audit process of the financial information of the Corporation. In fulfilling its responsibilities, the Committee should maintain an effective working relationship with the Directors, management of the Corporation and the external auditor of the Corporation as well as monitor the independence of the external auditor.

#### 2. AUTHORITY

- (a) The Committee shall have the authority to:
  - (i) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Committee;
  - (iii) communicate directly with the internal and external auditor of the Corporation and require that the external auditor of the Corporation report directly to the Committee; and
  - (iv) seek any information considered appropriate by the Committee from any employee of the Corporation.
- (b) The Committee shall have unrestricted and unfettered access to all personnel and documents of the Corporation and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

#### 3. MEMBERSHIP AND ORGANIZATION

- (a) The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is financially literate.
- (b) The chairman of the Committee will be appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgement.
- (c) The secretary of the Committee will be the Secretary of the Corporation or such other person as is chosen by the Committee.

- (d) The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.
- (e) The Committee may invite the external auditor of the Corporation to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
- (f) The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee or the external auditor of the Corporation may call a meeting of the Committee at any time upon 48 hours prior written notice.
- (g) All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.
- (h) Minutes shall be kept in respect of the proceedings of all meetings of the Committee.
- (i) No business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.
- (j) The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

#### 4. DUTIES AND RESPONSIBILITIES

To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall:

- (a) recommend to the Directors
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, and
  - (ii) the compensation to be paid to the external auditor of the Corporation;
- (b) review the proposed audit scope and approach of the external auditor of the Corporation and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;
- (c) meet separately and periodically with the management of the Corporation, the external auditor of the Corporation and the internal auditor (or other personnel responsible for the internal audit function of the Corporation) of the Corporation to discuss any matters that the Committee, the external auditor of the Corporation or the internal auditor of the Corporation, respectively, believes should be discussed privately;
- (d) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor of the Corporation regarding any financial reporting matter and review the performance of the external auditor of the Corporation;
- (e) review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Corporation;
- (f) review audit issues related to the material associated and affiliated entities of the Corporation that may have a significant impact on the equity investment therein of the Corporation;

- (g) meet with management and the external auditor of the Corporation to review the annual financial statements of the Corporation and the results of the audit thereof;
- (h) review and determine if internal control recommendations made by the external auditor of the Corporation have been implemented by management of the Corporation;
- (i) pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation provided that the other members of the Committee are informed of each such non-audit service;
- (j) consider the qualification and independence of the external auditor of the Corporation, including reviewing the range of services provided by the external auditor of the Corporation in the context of all consulting services obtained by the Corporation;
- (k) consider the fairness of the interim financial statements and financial disclosure of the Corporation and review with management of the Corporation whether,
  - (i) actual financial results for the interim period varied significantly from budgeted or projected results,
  - (ii) International Financial Reporting Standards have been consistently applied,
  - (iii) there are any actual or proposed changes in accounting or financial reporting practices of the Corporation, and
  - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;
- (l) review the financial statements of the Corporation, management's discussion and analysis and any annual and interim earnings press releases of the Corporation before the Corporation publicly discloses such information and discuss these documents with the external auditor and with management of the Corporation, as appropriate;
- (m) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Corporation of financial information extracted or derived from the financial statements of the Corporation, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;
- (n) establish procedures for,
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters relating to the Corporation;
- (o) review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation;
- (p) review the areas of greatest financial risk to the Corporation and whether management of the Corporation is managing these risks effectively;

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- (q) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Corporation;
- (r) review any legal matters which could significantly impact the financial statements of the Corporation as reported on by counsel and meet with counsel to the Corporation whenever deemed appropriate;
- (s) institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;
- (t) at least annually, obtain and review a report prepared by the external auditor of the Corporation describing: the firm's quality-control procedures; 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, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation;
- (u) review with the external auditor of the Corporation any audit problems or difficulties and management's response to such problems or difficulties;
- (v) discuss the Corporation's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and
- (w) review this mandate and recommend changes to this mandate to the Directors from time to time.

**Limitation on the Oversight Role of the Committee**

Nothing in this Mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such persons or organizations.

**5. COMMUNICATION WITH THE DIRECTORS**

- (a) The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.
- (b) The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.