



CanAsia Financial Inc.

AMENDED MANAGEMENT DISCUSSION & ANALYSIS FORM 51-102F1 For the Year Ended December 31, 2016

This Amended Management Discussion and Analysis (“**MD&A**”) is dated July 28, 2017 and replaces the management discussion and analysis filed on June 23, 2017. The MD&A has been revised to include disclosure required by National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Instrument 52-110 *Audit Committees*.

This MD&A of the financial condition of CanAsia Financial Inc. (“**CanAsia**” or the “**Company**”) and results of operations supplements but does not form part of the audited annual financial statements and accompanying notes of the Company for the year ended December 31, 2016 or the audited financial statements of the Company for the year ended December 31, 2015. Consequently, the following discussion and analysis of the results of operations and the financial condition of CanAsia should be read in conjunction with the audited financial statements for CanAsia for the year ended December 31, 2016. Additional information can be found on CanAsia on the SEDAR website (www.sedar.com).

FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements. Forward looking statements include, but are not limited to, words such as “believes” “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plans” or similar words thereof. These forward statements reflect the Company’s future financial position, future growth, business strategy, budgets, internal projects and objectives of management based on information currently available to the Company.

The Company believes that the expectations represented in such forward-looking statements are reasonable. However, the Company cannot assure that the plans, intentions or expectations upon which these forward looking statements are based will prove to be correct as they are subject to risks, uncertainties and assumptions.

Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking statements. The forward-looking statements included in this MD&A are made as of the date of this MD&A. The Company undertakes no obligation to publicly update or revise forward-looking statements, other than as required by applicable law. You should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE:

CanAsia was incorporated on June 26, 2008 under the *Business Corporation Act* (Alberta). The Company’s registered office is located at Suite 1600, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Canada.

BUSINESS FOCUS

The Company has no significant assets.

SUMMARY OF FINANCIAL RESULTS

All the financial information below is reported in Canadian Dollars (“CAD”). Figures are reported in accordance with International Financial Reporting Standards (“IFRS”).

ANNUAL	Year Ended December 31, 2016 Audited	Year Ended December 31, 2015 Audited	Year Ended December 31, 2014 Audited
Total Revenues	\$ -	\$ -	\$ -
Cost of Sales	-	-	-
Gross Profit	-	-	-
Total expenses	112,656	701,551	352,582
Other income	258,191	-	657
Loss from discontinued operations	-	-	-
Net income (loss)	145,535	(701,551)	(351,925)
Comprehensive income (loss)	145,535	(701,551)	(351,925)
Current Assets	4,150	608,722	665,726
Non-current Assets	-	-	-
Total Assets	4,150	608,722	665,726
Current Liabilities	46,613	796,720	152,173
Non-current Liabilities	-	-	-
Total Liabilities	46,613	796,720	152,173

QUARTERLY	3 Months Ended December 31, 2016 Unaudited	3 Months Ended September 30, 2016 Unaudited	3 Months Ended June 30, 2016 Unaudited	3 Months Ended March 31, 2016 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit (loss)	-	-	-	-
Total expenses	6,317	2,556	94,442	9,341
Other income	-	-	258,191	-
Net income (loss)	(6,317)	(2,556)	163,749	(9,341)
Comprehensive income (loss)	(6,317)	(2,556)	163,749	(9,341)
Current Assets	4,150	4,207	6,184	606,951
Non-current Assets	-	-	-	-
Total Assets	4,150	4,207	6,184	606,951
Current Liabilities	46,613	40,354	39,774	804,290
Non-current Liabilities	-	-	-	-
Total Liabilities	46,613	40,354	39,774	804,290
Cash and Cash Equivalents	4,150	4,207	6,184	6,951
Working Capital	(42,463)	(36,147)	(33,590)	(197,339)
Equity	(42,463)	(36,147)	(33,590)	(197,339)
Net Income per share from continuing operation –				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00

QUARTERLY	3 Months Ended December 31, 2015 Unaudited	3 Months Ended September 30, 2015 Unaudited	3 Months Ended June 30, 2015 Unaudited	3 Months Ended March 31, 2015 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross profit (loss)	-	-	-	-
Total expenses	150,638	184,030	285,185	81,698
Other income	-	-	-	-
Net income (loss)	(150,638)	(184,030)	(285,185)	(81,698)
Comprehensive income (loss)	(150,638)	(184,030)	(285,185)	(81,698)
Current Assets	608,722	667,394	671,251	666,008
Non-current Assets	-	-	-	-
Total Assets	608,722	667,394	671,251	666,008
Current Liabilities	408,027	704,754	524,581	234,153
Non-current Liabilities	-	-	-	-
Total Liabilities	796,720	704,754	524,581	234,153
Cash and Cash Equivalents	8,722	10,894	14,751	9,508
Working Capital	(187,998)	(37,360)	146,670	431,855
Equity	(187,998)	(37,360)	146,670	431,855
Net Income per share from continuing operation –				
Basic	(0.00)	(0.00)	(0.00)	(0.00)
Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Dividends declared	-	-	-	-

RESULTS OF OPERATIONS

Annual Results

Cash has decreased from \$8,722 to \$4,150 mainly due to paying for expenses incurred in the current year to maintain the listing of the Company. The Company paid a deposit of \$600,000 to acquire all the outstanding shares of Global Neuro Technologies Inc. (the “**Transaction**”). The Transaction was terminated after year end and the deposit of \$600,000 was fully refunded to the Company in May 2016. The deposit was used to pay collection fees and to settle financial liabilities of the Company with a gain on settlement of liabilities recorded for the year ended December 31, 2016. The Company settled approximately \$860,000 in outstanding trade payables and debt owed to non-arm's length creditors at approximately \$0.60 for every dollar owed.

Three-Month Period to December 31, 2016

In the fourth quarter of 2016, the Company incurred expenses relating to maintaining its public company listing.

Breakdown of Material Components of General and Administration Expenses

	Year Ended Dec. 31, 2015 Audited	3 Months Ended Mar. 31, 2016 Unaudited	3 Months Ended June 30, 2016 Unaudited	3 Months Ended Sept. 30, 2016 Unaudited	3 Months Ended Dec. 31, 2016 Unaudited	Year Ended Dec. 31, 2016 Audited
Financial expense	56,500.00	-	-	-	-	-
Service fee (paid to management)	72,000.00	-	-	-	-	-
Consulting fees (paid to management)	120,000.00	-	90,000.00	-	-	90,000.00
Filing fee	25,159.41	5,460.00	535.29	-	1,259.71	7,255.00
Transaction fee	27,712.50	-	-	-	-	-
Professional fee	364,240.00	2,500.00	2,500.00	2,500.00	5,000.00	12,500.00
Trust agent fee	17,512.00	746.00	1,174.14	-	-	1,921.00
Office	18,427.30	635.00	230.70	57.00	57.30	980.00
TOTAL	701,551.21	9,341.00	94,440.13	2,557.00	6,317.01	112,656.00

CAPITAL RESOURCES MANAGEMENT

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and seek for a potential acquisition.

The Company's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure based on financing requirements as well as in response to economic conditions affecting the Company.

The Company's capital includes the following:

	<u>2016</u>	<u>2015</u>
Shareholders' equity	\$ (42,463)	\$ (187,998)
Loan payable	10,000	-
Amounts due to related parties	-	388,693
	<u>\$ (32,463)</u>	<u>\$ 200,695</u>

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$4,150 and working capital deficiency of \$42,463 as at December 31, 2016.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit and liquidity risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below.

Credit Risk

The Company is exposed to credit risk associated with cash and cash equivalent. The risk is mitigated as the cash and cash equivalents are maintained with major financial institutions in Canada.

Liquidity Risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$4,150 (2015 - \$8,722) and working capital deficiency of \$42,463 as at December 31, 2016 (2015 - working capital deficiency of \$187,998).

The Company's contractual obligations consist of accounts payables and accrued liabilities, loan payable and the amounts due to related parties. The accounts payable and accrued liabilities and amounts due to related parties were settled subsequent to year-end.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars ("CAD"), which is the Company's presentation currency and is consistent with the functional currency of CanAsia Financial Inc.

Measurement Uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payments are measured at grant date fair value. For stock options granted, the fair value of the options granted is estimated by applying an option pricing model. Option pricing models include assumptions for expected volatility of the share price, expected dividends and the risk-free interest rate for the life of the option.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position.

Impairment of Assets

When events or changes in the economic environment indicate a risk of impairment of non-financial assets, an impairment test is performed to determine whether the carrying amount of the asset or group of assets under consideration exceeds the recoverable amount. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the statement of loss. The recoverable amount is the greater of its value in use and its fair value less costs to sell. A previously recognized impairment loss is reversed only if there has been a change in the estimates regarding the recoverable amount, however, any such reversal is

limited to the carrying amount that would have been determined (net of depreciation) had no impairment losses been recognized for the asset in prior years.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

The amounts due to related parties are denominated in Canadian dollars and are due to directors and officers of the Company. The amounts are non-interest bearing and are due on demand. All related party balances were settled during the year.

During the year, the Company has recorded total consulting fees of \$nil (2015 – \$120,000) paid to a director of the Company.

The compensation paid to key management personnel, which is comprised of the Chief Executive Officer and the Chief Financial Officer, during the year is \$nil (2015 – \$72,000).

Disclosure of Share Information

Shares outstanding:

98,168,052 commons shares outstanding at December 31, 2016 and as at the date hereof

Preferred Shares outstanding:

15,000,000 preferred shares outstanding at December 31, 2016 and as at the date hereof

Warrants outstanding:

7,500,000 warrants outstanding at December 31, 2016 and as at the date hereof

Stock options outstanding:

Nil stock options to purchase common shares are outstanding as at December 31, 2016 and as at the date hereof

AUDIT COMMITTEE DISCLOSURE

The board of directors (the “**Board**”) of the Company has adopted an audit committee charter, the text of which is attached as Schedule “A” to this MD&A.

The Company's audit committee (the “**Audit Committee**”) is responsible for, and assists the Board in fulfilling its responsibility for: (i) the oversight and supervision of the audit of financial statements of the Company; (ii) the management of the relationship with the auditor of the Company; (iii) meeting with the auditor as required in connection with the audit services provided by the auditor; (iv) the oversight and supervision of the accounting and financial reporting practices and procedures of the Company; (v) the oversight and supervision of the adequacy of the Company’s internal accounting controls and procedures; and (vi) the oversight and supervision of the quality and integrity of the Company’s financial statements.

Composition of the Audit Committee

As at December 31, 2016, the Audit Committee was comprised of three (3) members: James G. Louie, Jay Leung and V.E. Dale Burstall. Mr. Leung is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Mr. Louie is not independent by virtue of being an executive officer of the Company. Mr. Burstall is not independent by virtue of being legal counsel to the Company.

All of the members of the current Audit Committee are “financially literate” for the purposes of NI 52-110.

Relevant Education and Experience

James G. Louie - Mr. Louie was the President of Dynamax Engineering Ltd., a company that offers oil and gas engineering services, a role he held from 1976 to 2015. He was a director of Torch River Resources Ltd. (TSXV) and previously Tael Capital Inc. (TSXV), a capital pool company, from July 1999 until its amalgamation with Torch River Resources Ltd. in April 2004.

Jay Leung - Mr. Leung started his career with Richardson Greenshields in Calgary and later become a partner of Inter-Asia Venture Management Ltd., an established early stage venture capital fund which incubated and built a number of business ventures in Asia. Mr. Leung is also the president of IMC Capital Corp., a private investment management company specializing in direct and secondary equity investment in Asia.

V.E. Dale Burstall - Mr. Burstall received a Bachelor of Commerce degree from the University of Calgary and a Bachelor of Laws degree from the University of British Columbia, and has been a member of the Law Society of Alberta since 1986. Mr. Burstall has practiced as a securities and corporate lawyer dealing with both public and private companies for over 30 years, and has acted as an officer or director of several companies listed on either the TSX Venture or the Toronto Stock Exchange.

Pre-Approval Policies and Procedures

The Audit Committee reviews and pre-approves any engagement for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees, and considers the impact on the independence of the external auditor.

External Auditor Service Fees

The following table provides information about the fees billed to the Company for professional services rendered by Collins Barrow during the 2015 and 2016 fiscal years:

	2016	2015
Audit fees ⁽¹⁾	\$ 11,000	\$ 11,000
Audit-related fees ⁽²⁾	-	-
Tax fees ⁽³⁾	750	750
All other fees ⁽⁴⁾	3,000	5,000
Total ⁽⁵⁾	<u>\$ 14,750</u>	<u>\$ 16,750</u>

Notes:

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Company’s annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Company’s auditors related to interim reports.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Company’s auditors and other accounting services.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Company’s behalf.

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended December 31, 2016 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's financial year ended December 31, 2016 has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

As the Company is a venture issuer on the TSX Venture Exchange, it relies on the exemption in section 6.1 of NI 52-110 (Venture Issuers), which exempts venture issuers from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Company's corporate governance policies for the year ended December 31, 2016, as prescribed by Form 58-101F2.

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), which prescribes certain disclosure by the Company of its corporate governance practices.

The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and which contribute to effective and efficient decision making.

Board of Directors

As at December 31, 2016, the Board was comprised of three (3) members: James G. Louie, Jay Leung and V.E. Dale Burstall. Jay Leung is independent within the meaning of NI 52-110 - *Audit Committees* ("NI 52-110"). James G. Louie is not independent within the meaning of NI 52-110 by virtue of being an executive officer of the Company. Mr. Burstall is not independent within the meaning of NI 52-110 by virtue of being legal counsel to the Company.

The Board facilitates independent supervision of management through meetings of the Board and through informal discussions among independent members of the Board and management. In addition, the Board have free access to the Company's external auditors, legal counsel and to any of the Company's officers. The Board believes that it functions independently of management. The Board transacts business as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest.

Directorships

As at December 31, 2016, the following directors of the Company were directors of other issuers that are reporting issuers or equivalent.

Director	Other Reporting Issuers
V.E. Dale Burstall	Marksmen Energy Inc. (TSXV) Newton Energy Company (NEX) Standard Exploration Ltd. (TSXV)

Orientation and Continuing Education

The Company has not implemented a formal orientation and continuing education program. New directors are given an outline of the nature of the Company's business, its corporate strategy and current issues with the Company. New directors are also expected to meet with management of the Company to discuss and better understand the Company's business and will be advised by counsel to the Company of their legal obligations as directors of the Company.

Ethical Business Conduct

The Company does not have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Company's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for collectively developing and implementing principles and systems for the management of corporate governance and for identifying qualified candidates and recommending nominees for director and board committee appointments. The Board reviews on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board and analyze the needs of the Board.

Compensation

The directors evaluate the Chief Executive Officer and develop appropriate compensation policies for both the Chief Executive Officer and the directors of the Company. In setting compensation levels, the directors review the performance of the Chief Executive Officer in light of the Company's objectives and factors that impact the Company's success in achieving such objectives. The directors evaluate appropriate compensation that reflects the time and effort expended by the directors while taking into account the financial resources of the Company.

Other Board of Directors Committees

The Company has no standing committees at this time other than the Audit Committee and the Compensation and Corporate Governance Committee.

Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual Board members or committee members.

APPROVAL

The Board of Directors have reviewed and approved this document pursuant to its mandate and charter.

SCHEDULE "A"

CANASIA FINANCIAL INC. Audit Committee Charter March 2011

MANDATE

The Audit Committee (the "Audit Committee") is a committee of the board of directors (the "Board") of CanAsia Financial Inc. (the "Corporation"), to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management's reporting on internal accounting standards and practices, the review of financial information, accounting systems and procedures, financial reporting and financial statements, and has charged the Audit Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The Audit Committee of the Corporation shall:

1. assist the Board in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the external auditor's performance, qualifications and independence;
 - (c) the performance of the Corporation's internal audit function, if applicable;
 - (d) the Corporation's compliance with legal and regulatory requirements; and
2. prepare such reports of the Audit Committee required to be included in the Annual Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP OF THE AUDIT COMMITTEE

1. The Audit Committee shall consist of three or more Directors appointed by the Board. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.
2. Each member of the Audit Committee shall be financially literate within the meaning of applicable securities laws and as such qualification is interpreted by the Board in its business judgment. Each of the members of the Audit Committee shall also satisfy the applicable independence and financial literacy requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed, and applicable securities regulatory authorities.
3. The members of the Audit Committee must also possess the following collective skills or attributes: (1) relevant experience in supervising audit engagements for public companies in Canada and China; (2) Canadian financial reporting expertise; and (3) the ability to speak and write both English and Mandarin Chinese.
4. Each Audit Committee member must receive a general orientation on the local customs in China and business risks inherent in operating in the local environment in China.

5. The Board shall designate one member of the Audit Committee as the Committee Chair.
6. Any members of the Audit Committee may be removed or replaced at any time by the Board of Directors and will cease to be a member of the Audit Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Audit Committee by appointment from among its members. If and whenever a vacancy exists on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Audit Committee, each member will hold such office until the Audit Committee is reconstituted.

MEETINGS, STRUCTURE AND OPERATIONS

1. Audit Committee members may participate in a meeting of the Audit Committee (a "Meeting") by electronic means, telephone or other communication facilities as permit all persons participating in the Meeting to hear each other, and a member participating in such a Meeting by such means is deemed to be present at the Meeting.
2. At all Meetings of the Audit Committee, every question shall be decided by a majority of votes cast.
3. The affirmative vote of a majority of the members of the Audit Committee participating in any Meeting of the Audit Committee is necessary for the adoption of any resolution.
4. The Committee Chair will preside at all Meetings of the Audit Committee, unless the Committee Chair is not present in which case the members of the Audit Committee that are present will designate from among such members a Committee Chair for purposes of the Meeting.
5. The Audit Committee shall meet as often as it determines, but not less frequently than quarterly/or by resolution. Minutes of the Audit Committee will be taken at each Meeting. If the Chief Financial Officer (the "CFO") is not a member of the Audit Committee, the CFO will attend Meetings of the Audit Committee, unless otherwise excused from all or part of any such Meeting by the Committee Chair.
6. The Audit Committee shall report to the Board on its activities after each of its Meetings at which time minutes of the prior Audit Committee Meeting shall be tabled for the Board.
7. The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.
8. The Audit Committee is expected to establish and maintain free and open communication with management and the external auditor. The Audit Committee shall hold separate Meetings with each of management and the external auditor at least once per year, and at such other times as such parties consider appropriate.
9. At least one member of the Audit Committee, other than the CFO, if the CFO is also a member of the Audit Committee, shall visit one of the Corporation's primary operational sites at least once per year.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board, the external auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the

preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with Canadian IFRS accounting principles and applicable laws. The Board in its oversight role is responsible for ensuring that management fulfills its responsibilities. The external auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian IFRS accounting principles.

SPECIFIC DUTIES

Oversight of the External Auditor

1. Make recommendations to the Board for the appointment and replacement of the external auditor.
2. Responsibility for the compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee.
3. Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the external auditor.
4. Evaluate the qualifications, performance and independence of the external auditor, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
5. 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 (at least every 5 years).

Financial Reporting

1. Review and discuss with management and the external auditor:
 - (a) prior to the annual audit the scope, planning and staffing of the annual audit,
 - (b) the annual audited financial statements,
 - (c) the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - (d) approval of any reports for inclusion in the Corporation's annual report, as required by applicable legislation,
 - (e) the Corporation's quarterly financial statements, including the results of any external auditor's review of the quarterly financial statements and any matters required to be communicated by the external auditor under applicable review standards,
 - (f) significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,

- (g) any significant changes in the Corporation's selection or application of accounting principles,
 - (h) any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - (i) other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
2. Discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
 3. The Audit Committee will review all significant accounting and financial reporting issues, especially complex, unusual and related party transactions.
 4. Review the financial statements, prospectuses, management's discussion and analysis, annual information form and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and will periodically access the accuracy of those procedures.

Internal Control

1. Review and consider controls the Corporation has in place for annual and financial interim reporting, and controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation in order to determine if such controls are adequate.
2. Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation.
3. Ensure that the external auditors discuss with the Audit Committee any event or matter which suggest the possibility of fraud, illegal acts or deficiencies in internal controls.

Other Responsibilities

1. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
2. Ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis.
3. Review the policies and procedures in effect for considering officers' expenses and perquisites.
4. Perform other oversight functions as requested by the Board.
5. Review and update this Charter and receive approval of any changes to this Charter from the Board.

FUNDING FOR THE EXTERNAL AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

1. The Audit Committee shall have the appropriate authority and resources in order to discharge its responsibilities.
2. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor for the purpose of issuing an audit report.
3. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

1. Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.
2. Any proposed audit and permitted non-audit services to be provided by the external auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Charter. The CFO shall act as the primary contact to receive and assess any proposed engagements from the external auditor.
3. Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.
4. In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled Meeting.

LIMITATION ON AUDIT COMMITTEE MEMBERS' DUTIES

1. Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.