

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee (“**Audit Committee**”) is appointed by the Board of Directors (“**Board**”) of 5N Plus Inc. to assist it in overseeing the Corporation’s financial controls and reporting. The Audit Committee also monitors whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

COMPOSITION AND QUORUM

The Audit Committee is composed of a minimum of three members or a greater number as determined by the Board, each of whom qualifies as an independent director under *Regulation 52-110 respecting audit committees*. (“**Regulation 52-110**”) Every Audit Committee member must be financially literate (as such term is defined in Regulation 52-110) and at least one member must be an accounting or financial management expert.

The quorum at any meeting of the Audit Committee is a majority of its members.

MANDATE

The Audit Committee has the following responsibilities:

A. Overseeing Financial Reporting

- Reviewing with management and the external auditors the annual financial statements and accompanying notes, the external auditors’ report thereon and the related press release, including the information contained in management’s discussion and analysis, before recommending Board approval and prior to their release, filing and distribution.
- Reviewing with management and the external auditors the quarterly financial statements and accompanying notes and the related press release, including the information contained in management’s discussion and analysis, before recommending Board approval and prior to their release, filing and distribution.
- Reviewing the financial information contained in the annual information form, annual report, management proxy circular, prospectus and other documents containing similar financial information and prior to their release, filing and distribution with regulatory authorities in Canada.
- Ensuring that the audited quarterly and annual financial statements of the Corporation are presented accurately, in accordance with generally accepted accounting principles, before recommending Board approval.
- Reviewing with the external auditors and management the quality, appropriateness and adequacy of the Corporation’s accounting principles and policies, underlying assumptions and financial reporting practices.
- Reviewing any proposed changes to the Corporation’s accounting principles and policies, including (i) all accounting policies and practices used by the Corporation (ii) any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the external auditors’ preferred treatment, and (iii) any other material communications with management with respect thereto.
- Reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

- Reviewing the compliance of management certification of financial reports with applicable legislation.
- Reviewing the work of the external auditor authorized by the Audit Committee and resolving any disagreement between management and the external auditor regarding accounting and financial reporting.
- Reviewing the results of the external audit, any significant problems encountered in performing the audit, the steps taken by management with respect thereto and management's response and/or action plan related to any Management Letter issued by the external auditors and any significant recommendations contained therein.
- Reviewing any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Audit Committee.

B. Monitoring Risk Management and Internal Controls

- Monitoring the quality and integrity of the Corporation's internal control and management information systems through discussions with management and the external auditors.
- Overseeing management's reporting on the Corporation's internal control procedures.
- Reviewing the insurance coverage (annually and as required).
- Reviewing on a regular basis the Corporation's risk assessment and management policies, including hedging policies through the use of financial derivative transactions.
- Reviewing requests for information from the *Autorité des marchés financiers* and any recommendations made and the steps taken by the Corporation to deal with any such issues.
- Reviewing requests for information from government authorities having a financial impact on the Corporation's earnings and any recommendations made and steps taken by the Corporation to deal with any such issues.
- Assisting the Board with the oversight of the Corporation's compliance with applicable legal and regulatory requirements.
- Reviewing all material transactions not at arm's length.
- Establishing procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Reviewing and approving management's decision regarding the need for an internal auditor.

C. Overseeing the External Auditors

- Reviewing the annual written statement of the external auditors regarding all their relations with the Corporation and confirming their independence and discussing with the external auditors any relationships or services that may impact on their objectivity or independence.

- Approving the appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditors and monitoring their qualifications, performance and independence.
- Approving and overseeing the disclosure of all audit services provided by the external auditors to the Corporation, determining which non-audit services the external auditors are prohibited from providing and approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditors.
- Approving the basis and amount of the external auditors' fees for both audit and authorized non-audit services.
- Reviewing the audit plan with the external auditors and management and approving the scope, extent and schedule thereof.
- Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Ensuring that the external auditors are always accountable to the Audit Committee and the Board.
- Making arrangements for sufficient funds to be available to effect payment of the fees of the external auditors and of any advisers or experts retained by the Audit Committee.

METHOD OF OPERATION

- Meetings of the Audit Committee are held at least quarterly and as required.
- The members of the Audit Committee meet before or after each meeting without management.
- The Chair of the Audit Committee develops the agenda for each meeting of the Committee. The agenda and the appropriate material are provided to members of the Audit Committee on a timely basis prior to meetings of the Audit Committee.
- The Chair of the Audit Committee reports quarterly to the Board on the business of the Committee.
- The Audit Committee has at all times a direct line of communication with the external auditors.
- The Audit Committee meets separately with management and the external auditors at least annually, and more frequently as required.
- The Audit Committee may, in appropriate circumstances, engage external advisers, with the consent of the Board.
- The Audit Committee annually reviews its mandate and reports to the Board on its adequacy, for approval.
- The Audit Committee ensures the existence of an annual procedure to assess the performance of the Audit Committee and its members.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee. Even though the Audit Committee has a specific mandate and its members may have financial experience, they do not have the obligation to act as auditors or to perform auditing, or to determine that the Corporation's

financial statements are complete and accurate. Members of the Audit Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditors. The Audit Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles.

Approved by the Board of Directors on August 11, 2008