



COPPER MOUNTAIN MINING CORPORATION

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee shall provide assistance to the Board of Directors of Copper Mountain Mining Corporation (the “Company”) in fulfilling its financial oversight responsibilities to the shareholders of the Company and the investment community. The external auditors will report directly to the Audit Committee. The Audit Committee’s primary duties and responsibilities are to:

- Oversee the accounting and financial reporting processes of the Company, and the interim reviews and audit of its financial statements, including: (i) the integrity of the Company’s financial statements; (ii) the Company’s compliance with legal and regulatory requirements; and (iii) the independent auditors’ qualifications and independence.
- Serve as an independent and objective party to monitor the Company’s financial reporting processes and internal control systems.
- Review and appraise the activities of the Company’s independent auditors.
- Provide open lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters, and meet periodically with management and with the independent auditors.

II. COMPOSITION

The Audit Committee shall be comprised of at least three directors. Each Committee member shall be an “independent director” within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”), as may be amended from time to time. Pursuant to NI 52-110, a member will be considered “independent” if he has no direct or indirect, material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. NI 52-110 sets forth certain relationships which deem one not to be independent. In addition, the composition of the Audit Committee shall comply with the rules and regulations of the Toronto Stock Exchange and any other stock exchange on which the shares of the Company may be listed, subject to any waivers or exceptions granted by such stock exchange.

All members shall, to the satisfaction of the Board of Directors, be financially literate in accordance with the requirements of the NI 52-110 (i.e. have the ability to read and understand a



set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements). At least one member shall have experience as a CPA, CFO or corporate controller of similar experience or demonstrably meaningful experience overseeing such functions as senior executive officers.

The Committee members will be elected annually at the first meeting of the Board of Directors following the annual general meeting of shareholders.

III. RESPONSIBILITIES AND POWERS

Responsibilities and powers of the Audit Committee include:

- Annual review and revision of this Charter as necessary with the approval of the Board of Directors provided that this Charter may be amended and restated from time to time without the approval of the Board of Directors to ensure that the composition of the Audit Committee and the Responsibilities and Powers of the Audit Committee comply with applicable laws and stock exchange rules.

Independent Auditors

- Making recommendations to the Board of Directors regarding the selection, the appointment, evaluation, fees and compensation and, if necessary, the replacement of the independent auditors, and assisting in resolving any disagreements between management and the independent auditors regarding financial reporting.
- Ensuring that the auditors report directly to the Audit Committee and are made accountable to the Board of Directors and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- Confirming the independence of the auditors, which will require receipt from the auditors of a formal written statement delineating all relationships between the auditors and the Company and any other factors that might affect the independence of the auditors and reviewing and discussing with the auditors any significant relationships and other factors identified in the statement. Reporting to the Board of Directors its conclusions on the independence of the auditors and the basis for these conclusions.
- Overseeing the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.
- Ensuring that the independent auditors are prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;



- financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;
 - internal audit outsourcing services;
 - management functions or human resources;
 - broker or dealer, investment adviser or investment banking services;
 - legal services and expert services unrelated to the audit; and
 - any other services which the Public Company Accounting Oversight Board determines to be impermissible.
- Pre-approving all audit services, internal control related services and approving any permissible non-audit engagements of the independent auditors, in accordance with applicable legislation. The pre-approval of non-audit services may be delegated to one or more Committee members so long as such pre-approval decisions are presented to the full Committee at the next scheduled meeting.
 - Meeting with the auditors and financial management of the Company to review the scope of the proposed audit for the current year, and the audit procedures to be used.
 - Meeting annually with auditors in “in camera” sessions to discuss reasonableness of the financial reporting process, system of internal control, significant comments and recommendations and management’s performance.
 - Reviewing and approving the Company’s hiring policies for partners and employees or former partners and employees of the past and present independent auditors.

Financial Reporting Processes

- Reviewing with management and the independent auditors:
 - the Company’s annual and interim financial statements and related footnotes, management’s discussion and analysis and press release for the purpose of recommending approval by the Board of Directors prior to its release, and ensuring that:
 - management has reviewed the financial statements with the audit committee, including significant judgments affecting the financial statements



- the members of the Committee have discussed among themselves, without management or the independent auditors present, the information disclosed to the Committee
- the Committee has received the assurance of both financial management and the independent auditors that the Company's financial statements are fairly presented in conformity with Canadian GAAP or International Financial Reporting Standards (IFRS), as applicable, in all material respects
- Any significant changes required in the independent auditors' audit plan and any serious issues with management regarding the audit.
- The Committee shall receive and review the Chief Executive Officer and Chief Financial Officer certifications of interim and annual financial statements.
- Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.
- Reviewing with the independent auditors and management the adequacy and effectiveness of the financial and accounting controls of the Company.
- Reviewing with the independent auditors any audit problems or difficulties and management's response and resolving disagreements between management and the auditors and reviewing and discussing material written communications between management and the independent auditors, such as any management letter of schedule of unadjusted differences.
- Satisfying itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and assessing the adequacy of such procedures periodically.
- Review the Company's disclosure in the Management Information Circular and Annual Information Form including the Committee's composition and on the carrying out of its responsibilities under this charter and on other matters as required by applicable securities regulatory authorities.

Risk Management

- Making inquiries of management and the independent auditors to identify significant business, political, financial, litigation and control risks and exposures and assess the steps management has taken to minimize such risk to the Company.
- Reviewing at least quarterly and assessing the overall process for identifying principal business, political, financial, litigation and control risks and providing its views on the effectiveness of this process to the Board of Directors.



- Reviewing and/or investigating any financial, internal control, or risk management related issue or activity of the Company and reporting to the Board of Directors at its next regular meeting all such action it has taken since the previous report.
- Ensuring that the disclosure of the process followed by the Board of Directors and its committees, in the oversight of the Company's management of principal business risks, is complete and fairly presented.

Ethical and Legal Compliance

- Obtaining reports from management that the Company is in conformity with legal requirements and the Company's Code of Business Conduct and Ethics and reviewing reports and disclosures of insider and affiliated party transactions.
- Reviewing compliance with the Company's policies on internal controls, conflicts of interests, ethics, foreign corrupt practice, etc.
- Discussing with the Company's legal counsel legal matters that may have a material impact on the financial statements, disclosure in management's discussion and analysis or of the Company's compliance policies and internal controls.
- On at least an annual basis, reviewing with the Company's Chief Financial Officer any legal matters that could have a significant impact on the organization's financial statements or risk profile, and the Company's compliance with applicable laws and regulations.
- Establishing procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Overseeing compliance with the Company's Code of Business Conduct and Whistleblower Policy and reporting the Board of Directors with respect thereto.

Resources and Authority

- Engaging independent counsel and other advisors, without seeking approval of the Board of Directors or management, if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties and setting and paying for any counsel or advisors employed by the Audit Committee for such purpose. The Committee shall advise the Board of Directors and management of such engagement.
- Conducting special investigations, independent of the Board of Directors or management, relating to financial and non-financial related matters concerning the Company and/or any one or more of its directors, officers, employees, consultants and/or independent contractors, if determined by the Committee to be in the best interests of the Company and its Shareholders. The Committee shall advise the Board of Directors with respect to the



initiations of such investigations and shall periodically report any findings such investigation to the Board of Directors.

IV. MEETINGS

The Audit Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than four times a year and any time the Company proposes to issue a press release with its quarterly or annual earnings information. Meetings may be held at any time deemed appropriate by the Committee. 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 determine by resolution.

The Audit Committee shall meet periodically in separate executive sessions with management (including the Chief Financial Officer), the internal auditors as applicable and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The independent auditors will have direct access to the Committee at their own initiative.

The Chair of the Committee will report periodically the Committee's findings and recommendations to the Board of Directors.

V. POSITION DESCRIPTION FOR THE CHAIR

Outlined below is the position description for the Chair of the Audit Committee.

The Chair manages the affairs of the Audit Committee, including overseeing its effective operation and its undertaking of all oversight functions as set out in this Charter.

The primary responsibilities of the Chair include:

- providing effective Audit Committee leadership, overseeing all aspects of the direction and administration of the Audit Committee in fulfilling its mandate;
- overseeing the mandate, structure, composition, membership and activities delegated to the Audit Committee;
- reporting the results of each Audit Committee meeting at the next Board of Directors meeting and make available to each Director copies of the Audit Committee meetings' materials and minutes, as requested;
- ensuring that the Audit Committee undertakes all investigative functions and other obligations regarding reports of misconduct received by the Audit Committee, as set out in the Company's Whistleblower Policy;



- scheduling Audit Committee meetings in consultation with the Chair of the Board of Directors, other Audit Committee members, and the appropriate members of management;
- setting the agenda for Audit Committee meetings in consultation with the appropriate members of management;
- chairing all Audit Committee meetings;
- communicating with appropriate members of management in fulfilling the mandate of the Audit Committee;
- confirming that Audit Committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the Audit Committee;
- allotting sufficient time during Audit Committee meetings to fully discuss agenda items of relevance and importance to Directors;
- promoting ease of communication between the Company's independent auditors and Audit Committee members;
- ensuring the Audit Committee meets with the Company's independent auditors without the presence of members of management as set out in this Charter;
- retaining, in consultation with the Chairman of the Board of Directors, expert consultants on behalf of the Audit Committee, as needed; and
- overseeing the assessment of the performance of the Audit Committee annually.