



AUDIT COMMITTEE CHARTER

(As of March 21, 2014)

1 Purpose

- 1.1 The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of St. Augustine Gold & Copper Limited (the “Company”) to assist the Board in fulfilling its financial management oversight responsibilities. The Committee’s primary duties and responsibilities are to:
 - 1.1.1 Monitor the integrity of the Company’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - 1.1.2 Identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
 - 1.1.3 Monitor the independence and performance of the Company’s external auditor; and
 - 1.1.4 Provide an avenue of communication among the external auditor, management and the Board.

2 Authority

- 2.1 The Committee has the authority to:
 - 2.1.1 Engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - 2.1.2 Set and pay the compensation for any advisors employed by the Committee; and
 - 2.1.3 Communicate directly with the internal and external auditors.

3 Composition

- 3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three (3) directors, as determined by the Board, each of whom shall be an “independent” director within the meaning of National Instrument 52-110 (“NI 52-110”) promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director’s independent judgment, provided that, the exemption in Section 3.9 of 52-110 is available for a period of up to one (1) year commencing on the date of the receipt of the prospectus qualifying a distribution of securities that is the initial public offering of the Company. All members of the Committee shall be “financially literate” within the meaning of

NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.

- 3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one (1) member of the committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership.

4 Meetings

- 4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.
- 4.2 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.
- 4.3 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.
- 4.4 The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.
- 4.5 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such meeting will constitute presence in person at such a meeting.
- 4.6 Any action required or permitted to be taken at any meeting of the committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.
- 4.7 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

- 4.8 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5 Responsibilities

5.1 Review Procedures

- 5.1.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the “Applicable Requirements”).
- 5.1.2 Review and update, if applicable or necessary, this Audit Committee Charter annually and submit any amended Audit Committee Charter to the Board for approval.
- 5.1.3 Review the Company’s annual audited financial statements, related management’s discussion and analysis (“MD&A”) and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
- 5.1.4 Review with financial management the Company’s quarterly financial results and related documents prior to the release of earnings and/or the Company’s quarterly financial statements, the auditor’s review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company’s accounting principles.
- 5.1.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.
- 5.1.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.
- 5.1.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- 5.1.8 Review policies and procedures with respect to directors’ and officers’ expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.
- 5.1.9 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.
- 5.1.10 Ensure 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, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

5.2 External Auditor

- 5.2.1 The external auditor is ultimately accountable to the Committee and the board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.
- 5.2.2 Approve the fees and other significant compensation to be paid to the external auditor.
- 5.2.3 At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.
- 5.2.4 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.
- 5.2.5 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.
- 5.2.6 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 5.2.7 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.
- 5.2.8 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to the Audit Committee in accordance with the standards established by the Canadian Institute of Chartered Accountants.
- 5.2.9 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 5.2.10 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.
- 5.2.11 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
 - 5.2.11.1 Review and pre-approve all non-audit services to be performed by the Company's external auditor in accordance with any applicable regulatory requirements, including but not limited to NI 52-110, the Exchange Act and the requirements of any stock exchange upon which the Company's shares are listed. The Audit Committee may delegate pre-approval authority for non-audit services to one or more independent members of the Audit Committee provided that any such pre-approval decisions must be presented

to the full Audit Committee at its next meeting thereafter. The Audit Committee may also satisfy this pre-approval requirement if it first adopts specific policies and procedures respecting same in accordance with NI 52-110 such that the pre-approval policies and procedures are detailed as to the particular service, the Audit Committee is informed of each such non-audit service, and the procedures do not include delegation of the Audit Committee's responsibilities to management.

5.2.11.2 The Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and

5.2.11.3 The services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

5.3 Financial Reporting Processes

5.3.1 The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

5.3.1.1 The effectiveness of, or weakness or deficiencies in: the design or operation of the Company's internal controls (including, computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

5.3.1.2 Any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;

5.3.1.3 Any material issues raised by any inquiry or investigation by the Company's regulators;

5.3.1.4 The Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

5.3.1.5 Any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

5.3.2 The Committee should discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review will include a consideration of any significant findings prepared by the external auditor together with management's responses.

5.3.3 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the committee's views to the Board.

- 5.3.4 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- 5.3.5 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.
- 5.3.6 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.
- 5.3.7 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work to access to required information.
- 5.3.8 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.
- 5.3.9 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 5.3.10 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- 5.3.11 Review the financial disclosures certification process.
- 5.3.12 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

5.4 Other Committee Responsibilities

- 5.4.1 Annually assess the effectiveness of the Committee against this Audit Committee Charter and report the results of the assessment to the Board.
- 5.4.2 The Audit Committee shall review and discuss with management the appointment of key financial executive and recommend qualified candidates to the Board, as appropriate.
- 5.4.3 As required under Securities Rules, prepare and disclose a summary of the Audit Committee Charter in applicable continuous disclosure documents.
- 5.4.4 Perform any other activities consistent with this Audit Committee Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.
- 5.4.5 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

5.5 Other Duties

- 5.5.1 Periodically conduct a self-assessment of Committee performance.
- 5.5.2 Review financial and accounting personnel succession planning within the Company.
- 5.5.3 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6 No Rights Created

- 6.1 This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7 Charter Review

- 7.1 The Committee shall review and update this Charter annually and present it to the Board for approval.

Amended and approved by the St. Augustine Board of Directors on March 21, 2014