

# **CORRIDOR RESOURCES INC.**

## **AUDIT COMMITTEE**

### **Policy Re: Approval of Audit and Non-Audit Services by the External Auditors**

#### **1. Audit Committee Pre-Approval of Services**

In accordance with the requirements of securities regulations to which Corridor Resources Inc. (the "Corporation") is subject and to safeguard the continued independence of the Corporation's external auditors, all audit and non-audit services to be rendered by the Corporation's external auditors and any related entities (the "Auditors") to the Corporation and its subsidiaries and proportionately consolidated entities must be the subject of pre-approval by the Audit Committee of the board of directors of the Corporation. For purposes of this policy, all references to "the Corporation" shall include its subsidiary entities.

Such pre-approval shall be based on the following detailed policies and procedures established by the Audit Committee.

#### **2. Services that the Auditors May Not Provide**

- (a) The Auditors may not act in any capacity where they could reasonably be seen to:
  - (i) function in the role of the Corporation management;
  - (ii) audit their own work; or
  - (iii) serve in an advocacy role on behalf of the Corporation;
- (b) Except as otherwise permitted and pre-approved hereby, the Auditors will not be asked to provide any services in the following areas (in each case as more fully defined in applicable corporate and securities regulations or the regulations and guidelines of the appropriate oversight authorities governing the accounting and auditing profession):
  - (i) bookkeeping and related functions;
  - (ii) financial information systems design and implementation;
  - (iii) appraisal, valuation, fairness opinions or contribution-in-kind reports;
  - (iv) actuarial services;
  - (v) internal audit outsourcing;
  - (vi) management functions and human resources functions;
  - (vii) broker-dealer, investment advisor or investment banking services;
  - (viii) legal services; and
  - (ix) expert services.

### **3. Pre-Approval of a Range of Services**

The engagement for the annual audit of the Corporation's financial statements is specifically approved on an annual basis by the execution of the audit engagement letter with the Auditors. Engagements of the Auditors involving services for the Corporation that fall into the service definitions set forth in Appendix "A" shall be considered pre-approved by the Audit Committee under this policy.

It is the responsibility of management to determine whether a particular service is covered by the pre-approved range of services covered in Section 3. Management should seek the guidance of the Chair of the Audit Committee where there is any ambiguity about whether a particular service is pre-approved.

The general pre-approval of the range of services covered under this Section 3 will be brought to the Audit Committee for review and, if thought appropriate, renewal on an annual basis.

### **4. Limits on the Pre-Approval of a Range of Services**

In the case of proposed engagements of the Auditors involving any services covered under the range of services in Section 3 where the fees for a particular engagement are expected to exceed a total of \$10,000, specific pre-approval must be obtained therefor under the provisions of Section 5 hereof.

### **5. Pre-Approval of Individual Services**

If an engagement with the Auditors for a particular service is not prohibited under Section 2 hereof, is not covered under the range of services in Section 3, or exceeds the limits specified in Section 4 hereof, in order for such engagement to proceed, it must be pre-approved by the Audit Committee. The Chair of the Audit Committee shall have the authority to effect any pre-approval, on behalf of the Audit Committee, provided the aggregate fees for all such services does not exceed \$25,000. Any pre-approval by the Chair of the Audit Committee pursuant to this Section 5 must be presented to the Audit Committee at the first scheduled meeting of the Audit Committee following such approval.

Under no circumstances may the Audit Committee delegate its responsibilities to the Corporation's management.

### **6. Engagement Letters**

Pre-approved non-audit services shall be provided by the Auditors pursuant to an engagement letter with The Corporation that satisfies each of the following requirements:

- (a) the engagement letter shall be in writing and signed by the Auditors; and
- (b) the engagement letter shall set out the particular non-audit services to be provided by the Auditors which, unless individually pre-approved, shall be within the categories of pre-approved non-audit services described in Section 3 hereof.

### **7. Reports of Services to the Audit Committee**

At every regularly scheduled meeting of the Audit Committee, management shall report on all new pre-approved engagements of the Auditors since the last such report. The Auditors may comment on the report if they wish to do so. All engagement letters entered into pursuant hereto shall be made available to the Audit Committee upon demand.

**APPENDIX "A"**

<b>Type of Service</b>	<b>Description</b>
<b>Audit Services</b>	
Financial statement audit	<p>Recurring audit of consolidated financial statements including subsidiary company and statutory audits and tax services and accounting consultations required to perform an audit in accordance with Generally Accepted Auditing Standards.</p> <p>Quarterly reviews.</p> <p>Review of tax provision reported in the consolidated and other financial statements.</p> <p>Budget/Forecast review.</p> <p>Review of complex accounting issues with the Auditors' national office in order to reach an audit judgment.</p>
Regulatory financial filings	<p>Services relating to filings under applicable securities legislation with securities commissions or similar regulatory authorities including issuance of comfort letters.</p> <p>Statutory and regulatory filings including annual information forms and prospectuses.</p>
<b>Tax Services</b>	
Tax compliance	<p>Preparation and/or review of income, capital, sales, use, property, excise, local, value added (VAT) and GST tax returns, filings and forms. Consultation regarding handling of items for tax returns, required disclosures, elections, and filing positions available.</p>