



AUDIT COMMITTEE

MANDATE

1. Duties

The role of the Audit Committee (the “Committee”) of Semafo inc. (the “Corporation”) is to assist the Board of Directors (the “Board”) in its oversight of:

- The identification of the principal business risks and, with the exception of environmental and health & safety risks, the establishment of appropriate policies and risk management systems aimed at managing these risks
- The integrity of the Corporation’s internal control, information and financial management systems
- The establishment of policies and systems aimed at increasing accountability, ensuring compliance with applicable laws and with auditing and accounting principles.

The Committee does not have the mandate of planning or conducting a financial audit, nor is it responsible for determining whether the financial statements are complete and fully reflect the Corporation’s situation or whether accounting principles applicable to the Corporation have actually been applied. In these respects, after having carried out the verifications dictated by the circumstances, and having ensured the existence of adequate internal controls, the Committee relies on the accounting and financial expertise of the President and Chief Executive Officer and the Chief Financial Officer of the Corporation who are responsible for the integrity of the information submitted to the Committee and to the Board.

The independent auditor is responsible for auditing the Corporation’s accounts. He or she reports on the results of the audit directly to the Committee.

The Committee fosters frank and open dialogue with the independent auditor, management, and the Corporation’s accounting personnel.

In fulfilling its duties, the Committee:

Financial Reporting

- Reviews the results of the independent audit firm’s reviews of interim financial statements, if any, and annual audit and any significant disagreements with management
- Reviews and recommends to the Board for approval the annual audited financial statements and related Management’s Discussion and Analysis of financial and operating results
- Reviews and recommends to the Board for approval the Annual Information Form
- Reviews and recommends to the Board for approval the quarterly financial statements and related Management’s Discussion and Analysis of financial and operating results
- Reviews and recommends to the Board for approval the Corporation’s earnings press releases
- Reviews management process to maintaining and evaluating financial disclosure controls and procedures and internal control over financial reporting.



Independent Auditors

- Periodically assesses the independent auditor
- Recommends to the Board for consideration by the shareholders an independent audit firm to conduct an annual audit of the Corporation's financial statements
- Evaluates the independence of the independent audit firm
- Reviews an annual report from the independent audit firm elected by the shareholders regarding the independent audit firm's internal quality-controls procedures, material issues raised by the most recent internal quality-control review, or peer-review, of such firm, or by any inquiry or investigation by governmental or professional authorities respecting one or more independent auditors carried out by the firm
- Reviews the plan and scope of the annual audit engagement of the independent audit firm elected by the shareholders
- Recommends to the Board for approval the annual audit engagement fees of the independent audit firm elected by the shareholders
- Subject to the policy on approval of audit and non-audit services by the external auditors, approves all non-audit engagements of the independent audit firm elected by the shareholders.

2. Policies

The Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

The Committee must also establish a procedure for the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee must establish hiring policies regarding partners, employees and former partners and employees of the present and former independent audit firms elected by the shareholders.

3. Composition

The Committee is composed of at least three directors appointed by the Board for a mandate of one year or for any other period set by the Board.

All Committee members shall be independent directors and financially literate as prescribed by the Canadian Securities Administrators and determined by the Board.

4. Chair

The Chair of the Committee is appointed by the Board. In the event of the Chair's inability to attend a meeting, Committee members shall appoint a chair for such meeting.

The Chair of the Committee:

- Chairs all Committee meetings
- Ensures the fulfillment of the Committee's mandate
- Reports on Committee activities to the Board
- Ensures that this mandate is reviewed annually by the Committee members to recommend to the Board any appropriate changes.

5. Meetings

The Committee meets at least four times a year at locations, dates and times it determines.

The Chair of the Committee may convene a meeting at any time.

6. Organization

The Corporation's secretary acts as Committee secretary.

Before each Committee meeting, the secretary distributes the agenda and the information required for discussion and decision-making purposes. The secretary records the minutes of each Committee meeting in a register kept for this purpose.

7. Quorum and Decisions

The Committee quorum is the majority of Committee members.

Subject to the quorum being reached, the Committee makes its decisions by a majority of the votes cast by attending members.

8. Outside Advisors

In fulfilling its duties, the Committee may retain legal, accounting or other advisors.