

# **AUGUSTINE VENTURES INC.**

## **AUDIT COMMITTEE POLICY**

### **1.0 Policy & Purpose**

- As a public company, Augustine Ventures Inc. ("Augustine") takes its obligations to honestly and accurately report its financial results and related information very seriously. Because of Augustine's firmly held commitment to financial integrity,
- Augustine expects and requires that any and all of its officers, employees, contractors, subcontractors, and agents engaged in the auditing and reporting of its financial statements will conduct them in an ethical manner and in accordance with generally accepted auditing and professional standards.
- Augustine expects and requires that any and all of its officers, employees, contractors subcontractors, and agents involved in the reporting of financial information, including periodic reports filed with the Securities and Exchange Commission, earnings press releases and financial information and earnings guidance provided to analysts and rating agencies, fairly present in all material respects the financial condition and results of operations of Augustine and that such disclosures are made in a full, fair, accurate, timely, and understandable way.
- Augustine cannot and will not tolerate behavior by any of its officers, employees, contractors, subcontractors, or agents that would result or does result in a financial report that contains untrue statements of a material fact or omits material facts that render any portion of that report misleading.
- Augustine cannot and will not tolerate any behavior that could constitute securities fraud mail fraud, bank fraud, or wire fraud.
- Augustine cannot and will not tolerate behavior by any of its officers, employees, contractors, subcontractors, or agents that violates or is intended to violate any rule or regulation of the Securities Act (Ontario), or any provision of applicable Provincial or Federal law relating to fraud against shareholders.

### **2.0 Scope**

This policy applies to every Augustine employee, and contract employee including employees in the corporate offices and employees in any Augustine subsidiary, division, business unit or affiliate.

### **3.0 Complaint Procedures**

If you believe that a violation of this Policy has occurred or have a concern regarding questionable accounting or auditing matters, you immediately should report the suspected violation or concern to your supervisor or to the Chair of the Audit Committee of Augustine. You can also choose to submit the information anonymously, if you prefer. To do so, contact Corporate Legal Counsel, at (416) 941- 8829.

It is not sufficient to report a suspected violation of this Policy to a co-worker or to any person other than one of the individuals designated above.

#### **4.0 Investigation and Action**

Upon receipt of a complaint under this Policy, Augustine will investigate the complaint and will involve agencies and resources outside the Company if and/or when such outside involvement appears advisable or necessary. The report and investigation will be kept confidential to the extent consistent with the need for a thorough investigation and response and taking into consideration Augustine's disclosure obligations and requirements.

If it is determined that an officer or employee or contract employee of the Company has violated this Policy, Augustine will take appropriate action - including, but not limited to, disciplinary action, up to and including termination of employment. If it is determined that a non-employee (including any contractor, subcontractor, or other agent) has violated this Policy, Augustine will take action appropriate corrective action, which could include severing the contractor, subcontractor, or agency relationship. In either event, Augustine will take necessary corrective action reasonably calculated to address and to correct the alleged violation. Any and all complaints and related information received under this Policy will be retained for a period of seven (7) years from the date of the complaint, or such additional period of time as may be required by law.

#### **5.0 Non-retaliation**

Augustine is committed to maintaining an environment in which people feel free to report all suspected incidents of inaccurate financial reporting or fraud. No retaliatory action will be taken against any person who reports any conduct which he or she reasonably believes may violate this Policy. In addition, no retaliatory action will be taken against any individual who in good faith assists or participates in an investigation, proceeding, or hearing relating to a complaint about Augustine's auditing or financial disclosures, or who files, causes to be filed, testifies, or otherwise assists in such a proceeding against Augustine.

#### **6.0 Implementation**

Augustine expects your full cooperation in enforcing this Policy Augustine's intent in preparing, implementing, and distributing this Policy is to ensure compliance with federal, provincial, and local laws and to protect the interests of the Company, its shareholders, and the public. Nothing in this Policy is intended to create a contract between Augustine and any officer or employee or contract employee of the Company. All employees and contract employees will sign and acknowledge that they have received a copy of the Policy and have the read and understand the Policy.

#### **Audit Committee Questions for Management**

1. Do the financial statements comply with applicable laws, regulations, and accounting rules, including generally accepted accounting principles?
2. Do the financial statements comply with applicable reporting and disclosure requirements?
3. Have there been any changes in the accounting principles applied through the year?
4. Have the effects of alternative accounting treatments been evaluated?

5. Are there any unusual or extraordinary items reported in the financial statements other than as discussed?
6. Are there any related party transactions, other than as disclosed, with respect to the period covered by the financial statements?
7. Is management aware of any transactions that could have a significant effect on the Corporation's financial position or operations and which have not been adequately disclosed in the financial statements?
8. Is management aware of any transactions consisting of:
  - Illegal acts?
  - Any significant transactions that appears inconsistent with the ordinary course of business?
  - Any unusual actions that significantly increase the risk of loss to the Corporation?
  - Any transactions that might be perceived to be unusual or potentially embarrassing?
9. Please confirm that all necessary deductions and remittances have been made.
10. Have the carrying values of capital assets been reviewed for impairment and obsolescence?
11. Have the carrying value of intangible assets been reviewed to ensure that they represent a legitimate bone fide asset to the company and continue to generate revenues and positive contributions in excess of their carrying value over the estimated useful lives?
11. Has the Company entered into any contracts to provide services in excess of \$10,000?
12. Has the company entered into any contracts to provide services except as directly related to operations?
14. Have there been any changes to payroll?
15. Has there been any occurrence of a failure or breach in internal control procedures?
16. Is there adequate documentation for contracts, payments including evidence of value for money and validity as a business expense?
17. Have all liabilities been disclosed including contingent liabilities?
18. Have all material accounts receivable been evaluated for collectability?
19. Have all lawsuits, past and pending been brought to the attention of the Audit Committee
20. Does Management have any reason to question the Company's ability to continue as a going concern?

21. Do the financial statements accurately and properly reflect the financial status of the Corporation and the results of its operations and cash flows on the date and for the periods indicated?

Is there anything else you wish to bring to our attention or which you consider should be brought to our attention?