

## AUDIT COMMITTEE INFORMATION

The following Audit Committee information is provided in accordance with MI 52-110 Audit Committees:

### The Audit Committee's Charter

The Audit Committee's Charter is attached to this AIF.

### Composition of the Audit Committee

The members of the Audit Committee are Graham Weir (Chair), Daphne Corbett and Clark Zentner. All members of the Audit Committee are considered to be independent and financially literate within the meaning of MI 52-110 Audit Committees.

### Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of such member's responsibilities as an Audit Committee member are as follows:

MEMBER'S NAME	RELEVANT EDUCATION AND EXPERIENCE
Graham Weir	<p>Relevant Education:</p> <ul style="list-style-type: none"> <li>● B.Sc. Mathematics – 1974 - Trent University</li> <li>● M.Sc. Actuarial Mathematics – 1977 - University of Manitoba</li> <li>● Chartered Business Valuator – 1994 - Canadian Institute of Business Valuators</li> <li>● M.Sc. Financial Mathematics – 2005 – Oxford University</li> </ul> <p>Relevant Experience:</p> <ul style="list-style-type: none"> <li>● For the decade ended December 2000, investment banker with Goepel McDermid Inc. (and its predecessor Goepel Shields and Partners Inc.) in its Calgary office</li> <li>● Since January 2001, pursuing a Master of Science in Mathematical Finance at the University of Oxford and serving on the boards of several public and private companies</li> <li>● Currently a member of the Audit Committee of Pulse Data Inc. and Graymont Limited, Grupo Calidra, Wave Energy and Zargon Energy Trust</li> </ul>
Daphne Corbett	<p>Relevant Education:</p> <ul style="list-style-type: none"> <li>● B.A. (Major in Psychology and Minor in Math) – 1970 – University of Victoria</li> <li>● CMA – Member of the BC Association 1989-1999 (resigned as a member in good standing)</li> </ul> <p>Relevant Experience:</p> <ul style="list-style-type: none"> <li>● Senior Vice President BC Region for HSBC Bank Canada 2000 -2002</li> <li>● Head of Internal Audit for Canada for HSBC Bank 1994-1997</li> <li>● Head of Internal Audit for Latin America for HSBC Bank 1997-2000</li> </ul>

	<ul style="list-style-type: none"> <li>● Chair of the Finance VISTA Steering Committee of HSBC Group</li> <li>● Chair of the Audit Committee for Emergency Communications for Southwestern B.C.</li> <li>● Member of the Finance Committee for the Pacific Salmon Foundation</li> </ul>
Clark Zentner	<p>Relevant Education:</p> <ul style="list-style-type: none"> <li>● B.Sc. Math – 1975 - University of Saskatchewan</li> <li>● MBA – 1979 - Queen’s University</li> </ul> <p>Relevant Experience:</p> <ul style="list-style-type: none"> <li>● 1979 – 1988 Financial analyst and manager - Amoco</li> <li>● 1988 – 1990 Oil &amp; Gas securities analyst – Wood Gundy</li> <li>● 1990 – 1998 Investment banking and corporate financial advisory professional – ARC Financial</li> <li>● Director and member of audit committee of several private companies</li> </ul>

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted the following specific policies and procedures for the engagement of non-audit services:

On an annual basis, the Audit Committee updates and approves a list of pre-approved audit, audit-related, tax and other services, and pre-approves services that are recurring or are otherwise reasonably expected to be provided.

The Audit Committee is informed quarterly of the services on such list for which the auditor has actually been engaged.

Additional requests for pre-approval are addressed on a case by case specific engagement basis as follows:

- Where the aggregate fees for an engagement are estimated to be less than or equal to \$10,000, the CFO submits a recommendation to the Chair of the Audit Committee for pre-approval. The full Audit Committee is informed of the service at the next meeting of the Audit Committee. The engagement may commence upon pre-approval by the Chair of the Audit Committee;
- Where the aggregate fees for an engagement are estimated to be greater than \$10,000, the CFO submits a recommendation to the full Audit Committee for pre-approval. The engagement may commence upon pre-approval by the full Audit Committee.

### **External Auditor Service Fees (by Category)**

	2006 Financial Year	2005 Financial Year
Audit Fees	120,000	118,000
Audit-Related Fees <sup>(1)</sup>	59,000	48,000
Tax Fees	42,000	26,000

All Other Fees <sup>(2)</sup>	11,000	175,000
-------------------------------	--------	---------

Notes:

<sup>(1)</sup> Includes the review of interim consolidated financial statements for the periods ended March 31, June 30 and September 30.

<sup>(2)</sup> For the 2006 financial year, includes consulting fees relating to US compensation issues; for the 2005 financial year includes consulting fees relating to a regulatory review of the Corporation and other corporate restructuring.