

SCHEDULE "B"

EUREKA RESOURCES, INC. AUDIT COMMITTEE CHARTER

A. OVERVIEW AND PURPOSE

The Audit Committee of Eureka Resources, Inc. ("**Eureka**") has been formed to enable the Board of Directors of Eureka to perform its obligations with respect to compliance with applicable securities laws and the rules of the Exchange.

The Audit Committee is responsible to the Board of Directors of Eureka. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- (a) disclosure of financial and related information;
- (b) the relationship with and expectations of the external auditors of Eureka, including the establishment of the independence of the external auditors;
- (c) the oversight of Eureka's internal controls; and
- (d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of Eureka chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

B. ORGANIZATION

1. Size and Membership Criteria

The Audit Committee will consist of three or more Directors of Eureka.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding Shares of Eureka or other securities which are exchangeable into Shares of Eureka, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Eureka.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements, or should strive to become financially literate within a reasonable period of time after being appointed as a member of the Audit Committee. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

2. Appointment and Vacancies

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of Eureka. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of Eureka or ceases to be a Director of Eureka. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of Eureka may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

C. MEETINGS

1. Frequency

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the external auditors of Eureka in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

2. Chair

The Board of Directors of Eureka or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of Eureka.

3. Time and Place of Meetings

The time and place of meetings of the Audit Committee and the procedure at such meeting will be determined from time to time by the members of the Audit Committee, provided that:

- (a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- (b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of Eureka at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (an attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of Eureka on the direction of the President of Eureka, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

4. Agenda

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate

secretary of Eureka in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

5. Resources

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of Eureka or its subsidiaries or the legal counsel to Eureka or the external auditors of Eureka to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

D. DUTIES AND RESPONSIBILITIES

The Board of Directors of Eureka has delegated the following duties and responsibilities to the Audit Committee and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

1. Review and Reporting Procedures

The Audit Committee will make regular reports to the Board of Directors of Eureka. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

2. Financial Reporting

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of Eureka the following financial statements and related information prior to filing or public dissemination:

- (a) annual audited financial statements of Eureka, including notes;
- (b) interim financial statements of Eureka;
- (c) management discussion and analysis (“**MD&A**”) relating to each of the annual audited financial statements and the interim financial statements of Eureka;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of Eureka, including the use of non-GAAP earnings measures;
- (e) the annual report of Eureka;
- (f) all financial-related disclosure to be included in management proxy circulars of Eureka in connection with meetings of shareholders; and
- (g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by Eureka.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

- (a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;
- (b) any significant or unusual transactions;
- (c) significant management estimates and judgments; and
- (d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

3. External Auditors

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of Eureka (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit, review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of Eureka. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to Eureka or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of Eureka for the coming financial year.

Prior to the release of the annual financial statements of Eureka, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of Eureka's accounting principles as applied in the Eureka's financial reporting.

4. Legal and Compliance

The Audit Committee is responsible for reviewing with management of Eureka the following:

- (a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of Eureka and its subsidiaries which would have a material current or future effect on the financial condition of Eureka;
- (b) major risk exposures facing Eureka and the steps that management has taken to monitor, control and manage such exposures, including Eureka's risk assessment and risk management guidelines and policies;
- (c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of Eureka and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and

- (d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of Eureka certifying Eureka's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

5. Internal Controls

The Audit Committee is responsible for reviewing the adequacy of Eureka's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

- (a) the receipt, retention and treatment of complaints received by Eureka regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees or consultants of Eureka of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve Eureka's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of Eureka outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.