

AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the Audit Committee is to assist the Board of Directors (“**Board**”) in fulfilling its financial oversight responsibilities by reviewing: the financial reports and other financial information provided by Grizzly Discoveries Inc. (the “**Company**”) to any governmental body or other stakeholders; the Company’s systems of internal controls regarding finance, accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels.

The Audit Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board.

II. Composition

The Audit Committee shall be comprised of three directors as determined by the Board, a majority of whom shall be independent directors, free from any relationship which, in the view of the Board, could reasonably interfere with the exercise of their independent judgment as members of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee shall be financially literate and have a working familiarity with basic finance and accounting practices. The definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. The definition of “accounting or related financial management expertise” is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

The members of the Audit Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Audit Committee membership.

III. Meetings

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet at least annually with the Chief Financial Officer and the independent auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.
2. Review the Company’s interim and annual financial statements and any reports or other financial information and submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the independent auditors.

External Auditors

1. Review annually the performance of the external auditors and ensure their independence after reviewing all significant relationships they have with the Company.
2. Recommend to the Board the selection of the independent auditors and approve the fees and other compensation to be paid.
3. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the organization's financial statements.
4. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
5. Review and pre-approve all audit and audit-related services, and any non-audit services that exceed \$5,000, provided by the Company's external auditors.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the organization's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its' financial reporting.
3. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting or auditing matters.
9. Review certification process.

Other

1. Review any related-party transactions.