

**CHARTER of the AUDIT and RISK MANAGEMENT COMMITTEE
of the Board of Directors of
ATLAS CONSOLIDATED MINING and DEVELOPMENT CORPORATION**

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Audit and Risk Management Committee (the “Committee”) of the Board of Directors of Atlas Consolidated Mining and Development Corporation (“Atlas”).

1. PURPOSE

The Committee shall assist and advise the Board of Directors (the “Board”) in fulfilling its oversight duty with respect to (i) the development and preservation of the quality and integrity of Atlas’s accounting and financial reporting protocols, audit practices, risk management systems, and internal control structures, and (ii) the promotion of enterprise-wide adherence to best practices of corporate governance. The Committee shall also establish and strengthen Atlas’s systems and structures for monitoring and managing compliance with laws, regulations, and Atlas’s Manual of Corporate Governance (the “CG Manual”) and Code of Ethics.

2. COMPOSITION and QUALIFICATION of MEMBERS

The Committee shall be constituted by at least three (3) members of the Board, of whom at least two (2) must be independent directors. The chairperson of the Committee (the “Chairperson”) shall be an independent director chosen upon the consensus of the members of the Board or the Committee.

Each member of the Committee must have (i) a competent understanding of accounting and financial reporting principles and practices, audit procedures, and risk management concepts and methods, and (ii) a firm and comprehensive grasp of the business of Atlas and its significant subsidiary/s and of the nature of the industry within which they operate. At least one (1) member, preferably the Chairperson, shall have audit experience.

Any vacancy on the Committee shall be filled by the Board upon the recommendation of its Nominations Committee. To ensure continuity in the functioning of the Committee, a Deputy Chairperson shall be appointed upon the consensus of the Committee members.

3. MEETINGS

The Committee shall convene for a regular meeting on the first Thursday of every calendar month. Such schedule may be modified from time-to-time upon the determination of the members of the Committee.

At any meeting of the Committee, internal and/or external auditors, and members of Management – particularly those constituting the Enterprise Risk Management Committee (ERMC) – may be invited to present reports on the status of and/or the issues attending the implementation of audit and risk management programs and policies. The Committee may hold executive sessions with Atlas’s auditors.

The secretary of the Committee to be appointed from any of the members of the ERMC, shall, under the direction of the Chairperson, prepare the agenda and materials for all meetings of the Committee and record all proceedings at such meetings.

4. AUTHORITY

To accomplish its mandate, the Committee shall, upon the authority granted by the Board, be empowered to:

- 4.1. Direct and assess the performance by the internal auditor/internal audit group of its functions;
- 4.2. Direct and assess the performance by the ERMC of its functions;

- 4.3. Obtain all corporate records and documents that will provide the information necessary for the performance of its duties;
- 4.4. Conduct investigations on internal affairs that expose Atlas and/or its subsidiaries to any form of risk;
- 4.5. Engage the services of an external adviser who possesses expertise in audit or risk management;
- 4.6. Provide opportunities for the education and training of its members in developments in audit and risk management methods and practices; and
- 4.7. Formulate the rules for the conduct of its business

5. DUTIES AND RESPONSIBILITIES

To effectively carry out its purposes and functions, the Committee shall perform the following:

5.1. With respect to its duty to oversee Atlas's compliance with its financial reporting obligations

- a. Review financial reporting regulations and accounting standards applicable to Atlas and its significant subsidiary/s
- b. Review appropriateness of accounting policies adopted by Management
- c. Assess Management's competence in complying with financial reporting obligations
- d. Review the details of unusual, complex, or related-party transactions, and their impact on the extent of Atlas's reporting duties
- e. Review and evaluate all financial reports pertaining to Atlas and its significant subsidiary/s as to completeness, accuracy, clarity, and consistency, and in terms of their compliance with financial reporting standards and regulations
- f. Review and approve all management representation letters pertaining to Atlas's financial statements before they are presented to the external auditor
- g. Communicate with Atlas's internal and external legal counsels to determine whether there are significant legal issues that may impact Atlas's financial statements
- h. Review with Management and external auditors the results of the conduct of any audit examination of Atlas or its significant subsidiary/s

5.2. With respect to its duty to oversee the maintenance of Atlas's internal control systems

- a. Obtain regular reports and assurances from Management regarding the state of Atlas's internal control systems and structures
- b. Review the internal auditor's reports on the results of the regular assessments of Atlas's internal controls, including those pertaining to information technology systems and protocols
- c. Review with Management internal control issues raised by external auditors
- d. Establish a system for fraud prevention and detection which shall include a "whistle blower" policy
- e. Establish a framework for addressing identified weaknesses in control and reporting processes

5.3. With respect to its duty to oversee the implementation of Atlas's risk management policies and programs

- a. Set the framework for the formulation and implementation of policies and programs for the effective identification, analysis, monitoring, reporting, and management of all types of risk to which Atlas and its subsidiaries are exposed

- b. Ensure that Management is always equipped to minimize and mitigate risks that are likely to be realized
- c. Provide guidance for the design and implementation of a Business Continuity Plan in accordance with the strategic direction determined by the Board for the operation of Atlas and its subsidiaries

5.4. With respect to its duty to oversee the internal audit function

- a. Determine the qualification of Atlas's internal auditor
- b. Define the structure of the internal audit function for Atlas and its significant subsidiary/s and ensure that it complies with established standards on internal audit practice
- c. Review and approve all internal audit plans and programs for Atlas and its significant subsidiary/s
- d. Set the procedure for the reporting of the results of internal audit review

5.4. With respect to its duty to oversee external audit review

- a. Assess the independence and professional qualifications of nominees for election as external auditor of Atlas and its significant subsidiary/s
- b. Review and approve the parameters of the audit work to be performed by the external auditor and the fees to be paid for such engagement
- c. Review and approve the terms of any non-audit service to be performed by the external auditor for Atlas or its significant subsidiary/s
- d. Review all reports on the results of the conduct of external audit examination
- e. Evaluate the performance of the external auditor
- f. Assess and address issues that give rise to disagreements between Management and the external auditor

5.5. With respect to its duty to oversee the monitoring and management of Atlas's compliance systems

- a. Review and continually improve the compliance monitoring system for Atlas and its significant subsidiary/s
- b. Establish a framework for managing compliance issues
- c. Set the procedure for the presentation of regular reports from Management and the Compliance Officer on the status of the compliance of Atlas and its significant subsidiary/s with all applicable laws, rules, and regulations, and with the CG Manual and Code of Ethics
- d. Review the process of promoting enterprise-wide compliance with the CG Manual

5.6. With respect to its duties as a committee of the Board

- a. Report regularly to the Board on the actions it has taken to fulfill its mandate under this Charter

- b. Issue certifications on the status of and/or the actions taken to address critical compliance issues
- c. Prepare and present an annual report to Atlas's shareholders on its accomplishments and activities
- d. Conduct a regular evaluation of its performance in accordance with this Charter and the CG Manual
- e. Conduct a regular assessment of the adequacy of this Charter and initiate the modification and development thereof whenever such is required by a material change in the circumstances of Atlas and/or its significant subsidiary/s