

# NORTHGATE MINERALS CORPORATION

## AUDIT COMMITTEE CHARTER<sup>1</sup>

### A. OVERVIEW AND PURPOSE

The Audit Committee of Northgate Minerals Corporation (“Northgate”) has been formed to enable the Board of Directors of Northgate to perform its obligations with respect to compliance with applicable securities laws and the rules of the Toronto Stock Exchange (“TSX”) and the New York Stock Exchange (“NYSE”) where the Corporation’s common shares are traded.

The Audit Committee is responsible to the Board of Directors of Northgate. 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 Northgate, including the establishment of the independence of the external auditors;
- (c) its relationship with and expectations of the internal auditors (as applicable); and
- (d) the oversight of internal controls.

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<sup>2</sup>**

The Audit Committee will consist of three Directors of Northgate.

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<sup>1</sup> This Charter must be published once every three years in Northgate’s annual report or information circular or following material amendments to the Charter, or on its website.

<sup>2</sup> TSX Guidelines require that the Audit Committee be comprised solely of unrelated directors and the NYSE Company Guide requires that the Audit Committee be comprised solely of Independent directors.

Each member of the Audit Committee must not be an officer or employee of Northgate and must be free from any interest, business or other relationship (other than interests and relationships arising from holding shares of Northgate or other securities which are exchangeable into shares of Northgate) which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Northgate.

All members of the Audit Committee should be financially literate and able to read and understand 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 Northgate's financial statements.

## **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 Northgate. 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 Northgate or ceases to be a Director of Northgate. Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board of Directors and will be filled by the Board of Directors 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 will also meet at least quarterly with management, the internal auditors (as applicable) and the external auditors of Northgate in separate "In Camera" sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

## **2. Chair**

The members of the Audit Committee will appoint a Chairman from among their number. If the Chairman of the Audit Committee is not present at any meeting of the Audit Committee, the Chairman of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary at each meeting who need not be a Director of Northgate.

## **3. Time and Place of Meetings**

The time and place of meetings of the Audit Committee and the procedure at such meetings 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, facsimile or electronic means to each member of the Audit Committee, the internal auditors (as applicable), the external auditors and the corporate secretary of Northgate 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).

The external auditors will be given reasonable notice of and the right to attend and be heard at all meetings of the Audit Committee at which quarterly or annual financial statements of the Corporation are discussed and approved. Prior to each such meeting, the Chairman of the Audit Committee and the Chief Financial Officer shall liaise with the audit partner to determine whether the auditors shall attend each meeting in person or by telephone and in the event the auditors attend in person, they shall do so at the expense of Northgate.

A meeting of the Audit Committee may be called by the corporate secretary of Northgate on the direction of the Chairman, Chief Executive Officer or Chief Financial Officer of Northgate, by any member of the Audit Committee, the external auditors or the internal auditors (as applicable). 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 any 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, internal auditors (as applicable) and corporate secretary of Northgate in advance of the meeting of the Audit Committee not later than five 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. The Audit Committee may request any officer or employee of Northgate or its subsidiaries or the legal counsel to Northgate or the external auditors of Northgate to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee shall have the authority to set and pay the compensation for any advisors employed by the audit committee.

### **D. DUTIES AND RESPONSIBILITIES**

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

#### **1. Financial Statements and Related Information**

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of Northgate the following financial statements and related information:

- (a) annual audited financial statements of Northgate, including notes;

- (b) interim financial statements of Northgate;
- (c) management discussion and analysis relating to each of the annual audited financial statements and the interim financial statements of Northgate;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of Northgate, including the use of non-GAAP earnings measures;
- (e) all financial-related disclosure to be included in or incorporated by reference into any prospectus that may be prepared by Northgate;
- (f) annual report, annual information form and management information or proxy circular: and
- (g) 40F filing including the required US-GAAP reconciliation note.

As part of this review process, the Audit Committee should meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the financial disclosure and related documents.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors of Northgate, if appropriate, that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders. If Northgate lists its securities on a stock exchange in a jurisdiction other than Canada or the United States of America, the Audit Committee should review the equivalent applicable documentation and procedures.

## 2. **Appointment and Compensation of External Auditors**

The Audit Committee shall recommend to the Board of Directors of Northgate:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Northgate; and
- (b) the compensation of the external auditor.

The Audit Committee is directly responsible for carrying out oversight of the work of the external auditors of Northgate (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing its audit report or related work. The external auditors shall report directly to the Audit Committee, and the Audit Committee shall have the authority to communicate directly with internal and external auditors.

The Audit Committee has the sole authority to review in advance and grant any appropriate approvals of all auditing services to be provided by the external auditors of Northgate and any non-audit services to be provided by the external auditors of Northgate as permitted by applicable securities laws and the Toronto Stock Exchange.

On an annual basis, the Audit Committee will conduct a formal review of the external auditor's performance and provide the external auditor with the Audit Committee's expectations for the upcoming year.

The Audit Committee will discuss with the external auditors any disclosed relationships or services that the external auditors propose to provide to Northgate 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.

The Audit Committee will review and approve employment policy regarding the hiring of any person who is a partner or employee of the Corporation's current or former external auditor.

On an annual basis the Audit Committee will obtain and review an annual report from the external auditors describing the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any such issues. 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 Northgate for the coming financial year.

### 3. **Oversight of Financial Reporting and Risk Management Practices**

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

- (a) plans regarding any changes in accounting practices or policies and the financial impact thereof;
- (b) areas of management judgment and estimates that have a significant effect on the financial statements of Northgate and its subsidiaries;
- (c) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of Northgate and its subsidiaries which would have a material current or future effect on the financial condition of Northgate;
- (d) major risk exposures facing Northgate including the risk of fraud, and the steps that management has taken to monitor, control and manage such exposures, including Northgate's risk assessment and risk management guidelines and policies;
- (e) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of Northgate and its subsidiaries and the manner in which these matters have been disclosed in the financial statements;
- (f) annual sign-off by senior management of compliance certificates with the code of conduct and ethics;
- (g) review corporate accounting and finance policies on an annual basis.

4. **Internal Controls**

In consultation with the external auditors, the Audit Committee is responsible for reviewing the adequacy of Northgate's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee will review:

- (a) the internal control report prepared by management, including management's assessment of the effectiveness of Northgate's internal control structure and procedures for financial reporting (collectively Internal Controls over Financial Reporting - ICFR);
- (b) the attestation and report by the external auditors of Northgate on the assessment made by management of the effectiveness of the Corporation's ICFR; and
- (c) the Corporation's Disclosure Controls and Procedures (DC&P)

5. **Other Responsibilities**

- (a) Annually assess the effectiveness of the Committee against its Charter and report the results of the assessment to the Board.
- (b) Perform any other activities consistent with this Charter, Northgate's constating documents, and governing laws, as the Committee or the Board deems necessary or appropriate.
- (c) Maintain minutes of meetings and periodically report to the Board on significant results of the foregoing Committee activities.

6. **Whistleblower Policy**

The Audit Committee has adopted a Whistleblower Policy to facilitate the reporting by Northgate directors, officers or employees of any "Accounting Irregularities", as such term is defined in the Whistleblower Policy.

**Reviewed and revised August 7, 2009**