

WHITENOISE LABORATORIES INC.
AUDIT COMMITTEE CHARTER
Amended as of September 13, 2006

Organization

This charter governs the operations of the Audit Committee (the "Committee"). The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors of the Company (the "Board"). The Committee shall be appointed by the Board and shall comprise at least two Directors. All Committee members shall be financially literate. No member of the Committee may receive any compensation from the Company other than directors' fees.

Statement of Policy

The Committee shall provide assistance to the Board in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company's financial statements, and legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, the Company's independent auditors, the internal auditors, management and other employees of the Company. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and maintains the power to retain outside counsel, or other experts for this purpose.

Responsibilities and Processes

The primary responsibility of the Committee is to oversee the Company's accounting, financial reporting processes and audits of the financial statements on behalf of the Board and report the results of their activities to the Board on at least a quarterly basis. Management is responsible for the preparation, presentation and integrity of the Company's financial statements, and for the

appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing those financial statements and for reviewing the Company's unaudited interim financial statements. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- The Committee shall have a clear understanding with management and the independent and internal auditors that the independent and internal auditors are ultimately accountable to the Board and the Committee, as representatives of the Company's shareholders.
- The Committee shall have sole authority to appoint, retain and terminate the independent auditors, subject, if applicable, to shareholders ratification.
- The Committee shall have the sole authority and responsibility to evaluate the experience and qualifications of the senior members of the independent and internal audit teams and the quality controls procedures of the independent and internal auditors.
- The Committee shall, at least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review of the firm, 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 firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Company.
- After reviewing the foregoing report and the independent auditors throughout the year, the Committee shall review annually the performance of the Company's independent auditors.

- In addition, the Committee shall set clear hiring policies for employees or former employees of the independent auditors.
- The Committee shall discuss with the independent and internal auditors the overall scope and plans for their respective audits including the adequacy of staffing and staffing rotation. Also, the Committee shall discuss with management and the independent and internal auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance programs.
- The Committee shall review the Company's quarterly interim financial statements, semi-annual financial statements, annual financial statements and disclosures, including disclosure controls and procedures, under Management's Discussion and Analysis of Financial Condition and Results of Operations with management, the independent auditors and internal auditors prior to the filing of these statements to meet the reporting requirements of all government bodies that regulate.
- The Committee shall discuss the results of the quarterly review and annual audit and any other matters required to be communicated to the Committee by the independent and internal auditors under generally accepted auditing standards. The Chairman of the Committee may represent the entire Committee for the purposes of this review.
- The Committee shall review the Company's general guidelines and processes regarding financial guidance.
- The Committee shall review and approve in advance the annual budget for independent audit services and review and pre-approve all non-audit services rendered by the Company's independent auditors. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any member of the Committee to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- The Committee shall review an analysis prepared by management and the independent auditors of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the methods on the Company's financial statements and a description of any transactions as to which management Statement on Auditing Standards No. 50 letters.

- The Committee shall review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on management's assertion.
- The Committee shall review and approve, subject to Board authorization and shareholders ratification if applicable, all related party transactions. The Committee may delegate to the Chairman of the Committee the authority to review and approve, subject to Board authorization and shareholders ratification if applicable, related party transactions that have a value of less than US\$100,000; provided that, the terms and conditions applicable to each such related party transaction are within the range of similar transactions the Company regularly enters into. The Chairman of the Committee must report to the full Committee all approved related party transactions at its next scheduled meeting.
- The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall receive corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty.
- The Committee shall prepare a report to be included in the Company's annual statement.
- The Chief Financial Officer is responsible for coordinating the Committee meeting dates and arrangements. The Committee shall meet with the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and other key management of the Company, the independent and internal auditors on at least a quarterly basis before the publication of the quarterly and annual results.
- At the end of each Committee meeting, the Committee shall meet separately with the independent auditors and/or the internal auditors and without management present, to discuss the results of their examinations.
- The Chairman of the Committee will be responsible for presenting to the Board a report on the results of the Committee meeting.
- The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or

other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.

- At least once a year, the Committee shall review and evaluate its performance and report such evaluation to the Board.
- At least once a year, the Committee shall review and evaluate whether it complies with its membership requirements and take corrective action, as necessary.
