

STERLING RESOURCES LTD.

AUDIT COMMITTEE CHARTER

Amended August 29, 2013

I. Composition

The Committee shall be composed of three members of the Board of Directors who meet the independence and financial literacy criteria required by the rules and listing standards of the TSX Venture Exchange (the Exchange) and other relevant regulatory authorities (the Commissions).

The members of the Committee shall be appointed by the Board of Directors. If an Audit Committee Chair is not designated or present, the members may designate a Chair by majority vote.

II. Meetings

The Committee shall meet at least four times each fiscal year. The Committee shall meet with management, and shall meet periodically, but at least once a year, with the independent auditors in separate executive sessions.

III. Responsibilities

The Committee shall provide assistance to the Board of Directors in fulfilling its responsibilities relating to oversight of (i) the Company's accounting and financial reporting practices and internal control system, (ii) the independent auditor's qualifications and independence, and (iii) the performance of the Company's internal accounting functions and of the independent auditor.

The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditors.

The following shall be the primary activities of the Committee in carrying out its oversight responsibilities. The Committee may, from time to time, alter its procedures as appropriate given the circumstances and shall perform such other functions as may be assigned to it by law, the Company's Charter and By-laws or by the Exchange or the Commissions.

1. Review the results of each external audit of the Company's financial statements, including any certification, report, opinion or review rendered by the independent auditor in connection with the financial statements.
2. Review other matters related to the conduct of the audit, which are communicated to the Committee under generally accepted auditing standards and rules of the Exchange or the Commissions.

3. Based on the review under 1 and 2 above, the Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Company's Annual Report and prepare the Committee's report to be included in the Company's proxy statement and review the material to be included in the Annual Information Form all in accordance with the rules of the Exchange or the Commissions.
4. Review with management and as required with the independent auditor the Company's interim financial results and any other filings to the Exchange or the Commissions and the matters required to be communicated to the Audit Committee under generally accepted auditing standards. The Committee will advise the Board of Directors whether it recommends approval of the interim financial results.
5. Appoint, and recommend to the shareholders for approval, the firm to be engaged as the Company's independent auditor, which firm shall report directly to the Committee. The Committee shall be directly responsible for the compensation, retention and oversight of the independent auditor, including the resolution of disagreements between management and the independent auditor regarding financial reporting. The Committee shall have the sole authority to approve all audit engagement fees and terms.
6. Evaluate the independent auditor's performance and, if appropriate, recommend its discharge.
7. Receive from the independent auditor annually a formal written statement delineating the relationships between the auditors. The Committee shall discuss with the auditor the scope of any disclosed relationships and their impact or potential impact on the auditor's independence and objectivity, and recommend that the full Board take appropriate action to satisfy itself of the auditor's independence.
8. Approve all non-audit engagements with the independent auditor, either through express prior review and approval or through the adoption of policies and procedures for engaging the independent auditor to perform services other than audit, review and attest services. Between regularly scheduled meetings of the Committee, the Chair of the Committee may represent the entire Committee for purposes of the review and approval of the terms of non-audit engagements with the independent auditor.
9. Review reports of the independent auditor and Management related to the adequacy of the Company's internal accounting controls, including any management letters and management's responses to recommendations made by the independent auditor or Management.

10. Consider, in consultation with the independent auditor and Management, the scope and plan of forthcoming external audits and the independent auditor's responsibility under generally accepted auditing standards.
11. As appropriate, obtain advice and assistance from outside legal, accounting or other advisors.
12. Determine that there are established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
13. The Committee shall have the power to inquire into any financial matters not set forth above, and shall perform such other functions as may be assigned to it by law, or the Company's charter or By-laws, or by the Board.
14. Undertake an annual performance evaluation of the activities of the Committee, including the Committee's responsibilities as set forth above.

Amended this August 29, 2013.