

GEOROX RESOURCES INC.
(the "Corporation")

MANDATE OF THE AUDIT COMMITTEE

Role and Objective

The Audit Committee (the "Committee") is a committee of the Board to which the Board has delegated its responsibility in connection with audit and financial matters, oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. To assist directors meet their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditor's independence;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Membership of Committee

6. The Committee shall be comprised of at least three (3) directors of the Corporation, none of whom are (or while are listed on the TSX Venture Exchange, a simple majority are not):
 - (a) members of management of the Corporation and who are "independent" (as such term is used in Multilateral Instrument 52-110 — Audit Committees ("MI 52-110") unless the Board shall have determined that the exemption contained in Section 3.6 of MI 52 110 is available and has determined to rely thereon; and
 - (b) or persons who have been, during the preceding 12 months:
 - (i) an officer or employee of the Corporation or of an affiliate of the Corporation;
 - (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation; or
 - (iii) a relative of a person referred to in subparagraphs (i) or (ii), residing in the same home as that person; and
 - (iv) are free from any business or other relationship which could reasonably be seen to interfere with the exercise of their independent judgment.

7. The members of the Committee should be "financially literate" (as defined in MI 52-110) and if not, should be encouraged to take professional development programs to become "financially literate".
8. The Board shall appoint the Committee Chair, who shall be an unrelated director, from among the members and that Chair shall preside at all meetings of the Committee.

Mandate and Responsibilities of Committee

9. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
10. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Corporation's Internal Control Systems:
 - (a) identifying, monitoring and mitigating business risks; and
 - (b) ensuring compliance with legal, ethical and regulatory requirements.
11. It is a primary responsibility of the Committee to review the annual and interim financial statements of the Corporation and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
 - (a) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - (c) reviewing accounting treatment of unusual or non-recurring transactions;
 - (d) ascertaining compliance with covenants under loan agreements;
 - (e) reviewing disclosure requirements for commitments and contingencies;
 - (f) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - (g) reviewing unresolved differences between management and the external auditors; and
 - (h) obtain explanations of significant variances with comparative reporting periods.
12. The Committee is to review the financial statements, prospectuses, MD&A, annual information forms ("AIF") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to any required Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and shall periodically access the accuracy of those procedures.
13. With respect to the appointment of external auditors by the Board, the Committee shall:

- (a) recommend to the Board the external auditors to be nominated;
 - (b) recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
 - (c) on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - (d) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
 - (e) review and pre approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.
14. Review with external auditors (and internal auditor if one is appointed by the Corporation) any assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.
15. The Committee will establish a procedure for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
16. The Committee shall have the authority to investigate any financial activity of the Corporation. All employees of the Corporation are to cooperate as requested by the Committee.

Meetings and Administrative Matters

17. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
18. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.

19. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
20. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee during which financial statement and audit matters are to be addressed, unless otherwise excused from all or part of any such meeting by the Chairman or the Committee.
21. The Committee shall meet with the external auditor at least once per year in connection with the preparation of the year end financial statements and at such other times as the external auditor and the Committee consider appropriate.
22. Agendas, approved by the Chairman, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
23. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
24. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
25. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation without any further approval of the Board.
26. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.
27. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

Mandate Review

The Committee shall review at least annually the Committee's Mandate and make recommendations to the Board of any proposed changes.

Approved: November 6, 2006.