

**BOYUAN CONSTRUCTION GROUP, INC. AMENDED AUDIT COMMITTEE
CHARTER** (Adopted 2008, amended as of July 30, 2009)

General

The Audit Committee is a committee of the Board of Directors (the "**Board**") of Boyuan Construction Group, Inc. (the "**Corporation**") to which the Board delegates its responsibility for oversight of the financial reporting process.

Responsibilities of the Audit Committee include:

- ▶ Review the financial reporting process to ensure the accuracy of the financial statements of the Corporation;
- ▶ Assist the Board to properly and fully discharge its responsibilities;
- ▶ Strengthen the role of the Board by facilitating in depth discussions between directors, management and external auditors;
- ▶ Evaluate the independent auditor's qualifications, performance and independence;
- ▶ Facilitate the independence of the independent auditor;
- ▶ Assess the processes relating to the determination and mitigation of risks and the maintenance of an effective control environment; and
- ▶ Review the processes to monitor compliance with laws and regulations.

The Audit Committee will provide communication among the independent auditor, senior management of the Corporation and the Board. The Audit Committee has the sole authority to approve any non-audit engagement by the Corporation's independent auditors and to approve all audit engagement fees and terms.

Responsibilities of the Audit Committee

1. Financial Reporting

(a) Review of Financial Statements and Financial Disclosure

(i) Annual Financial Statements. Before the release of the Corporation's annual financial statements and related MD&A, press release and AIF the Committee shall meet with management and the external auditors to review and discuss the contents of those documents. The Committee shall then present a report (including their recommendation) to the Board based on this review.

(ii) Interim Financial Statements. Before the release of the Corporation's interim financial statements and related MD&A and press release to the public, the Committee shall review and approve those documents.

(iii) Review of Other Disclosure Documents. The Committee shall review all other public disclosure documents containing audited or unaudited financial information before release, including any prospectus and annual report, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.

(b) The Audit Committee Chair, as a representative of the Committee, shall consult directly with the independent auditor to obtain their comments with respect to interim reports including related "Management's Discussion and Analysis" (as a result of their limited scope review of the interim reports).

(c) Conduct an investigation sufficient to provide reasonable grounds for believing that the financial statements and reports referred to in a) above are complete in all material respects and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles.

(d) Review with senior management of the Corporation and the independent auditor, management's handling of any proposed audit adjustments identified by the independent auditors, the presentation and impact of signification risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting.

(e) Meet with the independent auditor to review the results of the annual audit, their judgments about the quality and appropriateness of the Corporation's accounting principles, and any audit problems or difficulties and management's response.

(f) Review and resolve any significant disagreement among the Corporation's management and the independent auditors in the financial reporting process.

(g) Review the integrity of the Corporation's internal and external financial reporting process, in consultation with the independent auditors.

(h) Review the evaluation of internal controls by the external auditor, together with management's response.

(i) Review the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness.

(j) Consider, evaluate and recommend to the Board such changes as are appropriate to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors or the Corporation's senior management.

(k) Review with independent auditors and the Corporation senior management the extent to which changes and improvements in financial and accounting practices, as approved by the Audit Committee, have been implemented.

2. Independent Auditor

(a) External auditors shall report directly to the Committee, and provide to them an annual audit plan for approval.

(b) The Committee shall (i) make recommendations to the Board as to the selection of the firm of independent public accountants to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; (ii) review and approve the Corporation's independent auditors' annual engagement letter and audit plan, including the proposed fees contained therein, and make recommendations thereon to the Board; and (iii) review the performance of the Corporation's independent auditors and make recommendations to the Board regarding the replacement or termination of the independent auditors when circumstances warrant.

(c) At least annually, obtain and review a report by the independent auditor describing:

(i) the firm's internal quality-control procedures, and

(ii) 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.

(d) Confirm the independence of the independent auditor by discussing and reviewing all significant relationships that the independent auditors have with the Corporation and obtaining their assertion of independence in accordance with professional standards.

(e) Approve in advance of the Corporation's final commitment all consulting arrangements and any other non-audit service with the Corporation's independent auditors other than services related to reviews of interim reports and tax services.

(f) Approve all audit fees and terms.

(g) When there is to be a change in the auditor, review all issues relating to the change including any reportable events.

(h) Review any engagements for non-audit services to be provided by the independent auditor's firm or affiliates, together with estimated fees and consider the independence of the auditor.

3. Risk Assessment and Risk Management

- (a) Discuss with Corporation management guidelines and policies governing the risk assessment and risk management processes.
- (b) Review with Corporation management, the independent auditors, significant risks and exposures. Review management's plans and processes to minimize such risks, including insurance coverage.
- (c) Evaluate whether Corporation management is adequately communicating the importance of internal control to all relevant personnel.
- (d) Periodically privately consult with the independent auditor about internal controls and the completeness and accuracy of the Corporation's financial statements.
- (e) Review whether the internal control recommendations made by the internal auditors and the independent auditor are being implemented by Corporation management and, if not, why not.

4. Compliance with Relevant laws and regulations

- (a) Periodically obtain updates from the Corporation's senior management regarding procedures and processes to ensure compliance with applicable laws and regulations (including but not limited to, securities, tax and environmental matters).

5. Other Responsibilities

- (a) Meet at least four times annually (for review of Q1, Q2 and Q3 interim reports as well as pre audit) with senior management and the independent auditors in separate sessions.
- (b) Institute special investigations, if necessary, and hire special counsel or experts, at the cost of the Corporation, to assist, if appropriate.
- (c) Review and update this Charter at least annually or as otherwise determined by the Committee, and obtain approval of changes from the Board.
- (d) Set clear hiring policies for employees or former employees of the independent auditors.
- (e) Review the procedures established for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- (f) Review the procedures established allowing the confidential, anonymous submission by Corporation employees of concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any.

(g) Review with the Board, any issues that arise with respect to the quality or accuracy of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements and the performance and independence of the Corporation's independent auditors.

(h) Review all "related party" or non-arm's length transactions of the Corporation and provide a reporting, including any recommendation, to the Board.

(i) Perform other oversight functions as requested by the Board.

(j) Report after each meeting to the Board regarding actions taken and matters discussed by the Committee.

6. Organization of the Audit Committee

(a) The Audit Committee shall be comprised of a minimum of 3 Directors including a Committee Chair. While the Corporation is a "venture issuer" as defined in National Instrument 52-110-Audit Committees ("**NI 52-110**"), a majority of the Audit Committee members shall, in the opinion of the Board, be independent directors under NI 52-110. Once the Corporation ceases to be a "venture issuer" as defined in NI 52-110, all of the Audit Committee members shall, in the opinion of the Board, be independent directors under NI 52-110.

(b) Each member of the Committee shall have a working knowledge of basic finance and accounting practices, and shall be "financially literate" as defined in NI 52-110.

(c) The Chair of the Committee must have accounting or related financial management experience.

(d) The members of the Committee and its Chair shall be appointed by the Board of Directors. Appointments shall be made in accordance with procedures established by the Corporate Governance, Nomination and Compensation Committee of the Board of Directors from time to time.

(e) The Corporation will adequately fund the budget of the Audit Committee. The budget will include, at a minimum, payments to the independent auditors for audit services and, if necessary, other professionals retained by the Audit Committee from time to time.

7. Procedure Governing Errors or Misstatements in Financial Statements

In the event a director or an officer of the Corporation has reason to believe, after discussion with management, that a material error or misstatement exists in financial statements of the Corporation, that director or officer shall forthwith notify the Audit Committee and the auditor of the error or misstatement of which the director or officer becomes aware in a financial statement that the auditor or a former auditor has reported on.

If the auditor or a former auditor of the Corporation is notified or becomes aware of an error or misstatement in a financial statement on which the auditor or former auditor has reported, and if in the auditor's or former auditor's opinion the error or misstatement is material, the auditor or former auditor shall inform each director accordingly.

When the Audit Committee or the Board is made aware of an error or misstatement in a financial statement the Board shall prepare and issue revised financial statements or otherwise inform the shareholders and file such revised financial statements as required.

8. Independent Advice

As considered necessary in the course of fulfilling Audit Committee duties, the Committee may obtain advice and assistance from outside legal, accounting or other advisors. at the cost of the Corporation.

9. Complaint Procedure

The Committee shall put in place procedures to deal with:

- (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.
- (c) The Committee shall support the auditor, when appropriate, when issues arise, and management and the auditor disagree.

10. Hiring Policies

- (a) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Corporation.
- (b) The Committee shall ensure that there are sufficient resources and skills to undertake the internal audit.

11. Review and Amendments to Charter:

- (a) By the Committee. On an annual basis, the Committee shall report to the Board on the Committee's performance against its charter and the goals established annually by the Committee for itself, and recommend to the Board any amendments to its charter it considers appropriate or desirable.
- (b) By the Board. The Board shall review and reassess the adequacy of this Charter annually or whenever necessary and shall consider all recommendations received

by it from the Committee.

12. Limitation on Audit Committee Members' Duties

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.