

U.S. GLOBAL INVESTORS, INC.
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER
Revised: September 27, 2004

General

The board of directors (the "Board") of US Global Investors, Inc. (the "Company") has established a committee of the board known as the audit committee (the "Audit Committee"). The purpose of this Amended and Restated Audit Committee Charter (the "Charter") is to specify the governance, the powers and responsibilities of the Audit Committee.

Purpose

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditor's qualifications and independence, (3) the performance of the Company's internal audit function and independent auditors, (4) complaints relating to the Company's accounting, internal accounting controls, and audit matters, and (5) the Company's accounting and financial reporting processes and audits of the Company's financial statements.

The Audit Committee shall prepare or cause the preparation of the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

Membership

The Audit Committee shall consist of no fewer than three members. All members of the Audit Committee shall meet the independence and experience requirements of the NASDAQ Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the rules and regulations of the Commission. All members of the Audit Committee shall be "financially literate" and have a working familiarity with basic finance and accounting practices. The members of the Audit Committee shall be appointed by the Board, in consultation with the Chief Executive Officer, and shall serve for a period of two years or until such time as his or her successor has been duly named or until such member's earlier resignation, death or removal. The members of the Audit Committee shall appoint one member of the Audit Committee to serve as the Chairperson of the Audit Committee. Audit Committee members may be removed (with or without a cause) and replaced by the Board.

Meetings

The Audit Committee shall meet as often as it determines is necessary to carry out its duties and responsibilities, but not less frequently than twice a year. A quorum of the Audit Committee will consist of at least 50% of the members of the Audit Committee. The Audit Committee shall meet periodically with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Chairperson of the Audit Committee shall designate a person who need not be a member thereof to act, as Secretary and minutes of its proceedings shall be kept in minute

books provided for that purpose. The agenda of each meeting will be prepared by the Secretary of the Company and, whenever reasonably practicable, circulated to each member prior to each meeting.

Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification).

The Audit Committee shall be responsible for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the company, consistent with Independence Standards Board Standard 1, and the audit committee's responsibility for actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor

The Audit Committee shall be solely and directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and shall have sole power to approve all audit engagement fees and terms. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority without prior Board approval, to the extent it deems necessary or appropriate, to retain (and approve compensation of) independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report, for payment of compensation to any advisors employed by the Audit Committee and for payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit 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 concerns regarding questionable accounting or auditing matters.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Audit Committee, to the extent it deems necessary or appropriate, shall also:

1. To review and assess the performance of the independent public auditors and make recommendations to the full Board annually as to the appointment of independent public auditors.
2. To act for the Board in overseeing the integrity of the corporation's financial statements. To perform this function, the Audit Committee shall have direct access to independent auditors, the internal auditors, and other company personnel.
3. To meet with the independent auditors and financial management of the corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.
4. To review with the independent auditors, the company's internal auditor, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the corporation, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
5. To review the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting principles should be reviewed.
6. To provide sufficient opportunity for the internal and independent auditors to meet with the members of the Audit Committee without members of the management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the corporation's financial, accounting, and auditing personnel.
7. To review and update this Charter periodically, at least annually, as conditions dictate.
8. To submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each committee meeting with the Board.
9. To direct and supervise investigations into any matters within its scope including integrity of reported facts and figures, ethical conduct, and appropriate disclosure.
10. To make recommendations or reports on matters which, in its judgment, should receive the attention of the Board.
11. To retain special counsel and other experts or consultants at the expense of the fund as a resource to assist the Committee in discharging its responsibilities.