

**KIWETINOHK ENERGY CORP.  
AUDIT COMMITTEE MANDATE**

**1.0 Purpose and Scope**

The Committee is a committee of the Board whose primary function is to assist the Board by:

- overseeing the nature and scope of the Corporation's annual independent audit and the integrity of the Corporation's financial statements;
- overseeing the Corporation's external independent auditor's performance, qualifications and independence;
- overseeing management's implementation and maintenance of an effective system of internal controls over cash management and financial reporting;
- overseeing the Corporation's legal and regulatory compliance requirements with respect to financial management and reporting;
- overseeing the Corporation's financial risk management programs including insurance, cash management, hedging, marketing and debt;
- overseeing the Corporation's systems of financial disclosure control and procedures; and
- recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information.

**2.0 Definitions**

**"Board"** means Kiwetinohk's board of directors.

**"Code of Conduct"** means the Corporate Mandate and all of the policies governing management conduct, considered in aggregate.

**"Committee"** means the Audit Committee of the Board.

**"CPAB"** means the Canadian Public Accountability Board.

**"Independent"** and **"Financially Literate"** have the meanings as described in NI 52-110.

**"Kiwetinohk"** or the **"Corporation"** means Kiwetinohk Energy Corp. and includes its subsidiaries where the context requires.

**"MD&A"** means Management Discussion and Analysis document.

**"NI 52-110"** means National Instrument 52-110 – *Audit Committees*.

### 3.0 Principles and Rules

#### 3.1 *Composition and Meetings*

- The Committee must be comprised of a minimum of three Independent and Financially Literate directors of the Board, unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon in respect of any such individual, and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In particular, at least one member of the Committee shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.
- In order to foster open communication, the Committee or its Chair should meet at least annually with management and the external independent auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements and the Committee should meet not less than quarterly with the external independent auditor, independent of the presence of management.
- The Committee will meet as scheduled and in the manner prescribed in the Board and Committee Meeting Guidelines of the Corporation.

#### 3.2 *Role*

In addition to any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

##### 3.2.1 *Financial Statements*

- (a) Review significant accounting and reporting issues, including complex, unusual transactions or non-recurring transactions, highly judgemental areas, related party transactions and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- (b) Review with management and the external independent auditor the results of any audit and any adjustments or difficulties

encountered including (without limitation) unresolved differences.

- (c) Review the annual / interim financial statements and consider whether they are complete, consistent with the information known to Committee members and reflect appropriate and current accounting principles.
- (d) Review analyses prepared by management and the external independent auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of financial statements including alternative treatments and their impacts.
- (e) Review all financing reporting relating to risk exposure including the identification, monitoring and mitigation of business risks and disclosure related thereto.
- (f) Increase the credibility and objectivity of the financial statements and financial reports.
- (g) Recommend to the Board the approval of the Corporation's financial statements.

### 3.2.2 *Internal Controls*

Satisfy itself on behalf of the Board with respect to the internal control systems, including, but not exclusively:

- (a) matters relating to financial risk management, including the Corporation's market risk management policies and practices and the use of derivative instruments;
- (b) management's identification, monitoring and development of strategies to avoid and/or mitigate accounting and finance risks;
- (c) the adequacy of the security measures that are in place in respect of the Corporation's information systems and the information technology that is utilized by the Corporation;
- (d) establishing procedures for the anonymous and confidential receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of

the Corporation of concerns regarding questionable financial management, accounting or auditing matters under the Whistleblower Policy;

- (e) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of these procedures; and
- (f) monitoring compliance with legal and regulatory requirements, including:
  - (i) reviewing management's process for certification of annual and interim financial reports in accordance with National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*;
  - (ii) compliance with covenants under credit facility loan agreements;
  - (iii) any examinations or reports by regulatory agencies;
  - (iv) any external independent auditor observations; and
  - (v) regular updates from management and legal counsel regarding compliance matters.

### 3.2.3 Documents/Reports Review

- (a) Review and recommend to the Board for approval the Corporation's annual financial statements, forms, filings and circulars containing financial information, including the *Extractive Sector Transparency Measures Act (Canada)* filing and management's process for certification under that legislation.
- (b) Review and approve the Corporation's quarterly financial statements and MD&A, as well as any insurance, hedging, marketing, cash management or other report, including any certification or opinion rendered by the external independent auditor.

### 3.2.4 External Independent Auditor

- (a) Review the external independent auditor's proposed scope and approach.
- (b) Recommend to the Board the external independent auditor to be nominated for appointment by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or other services for the Corporation and the compensation of the external independent auditor.
- (c) Direct the compensation and retention of, and oversee the work performed by the external independent auditor, and at least every five years, conduct a comprehensive review of the external independent auditor.
- (d) Review and approve all audit and non-audit services to be provided by the external independent auditor. Provide oversight to ensure that the provision of non-audit services is within regulations and best practices
- (e) Actively engage in dialogue with the external independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the external auditor and take appropriate actions to oversee the independence of the external auditor and at least annually obtain a formal written statement delineating all relationships between the external independent auditor and the Corporation.
- (f) Review and confirm the independence of the external independent auditor.
- (g) Review the performance of the external independent auditor.
- (h) Periodically consult with the external independent auditor without the presence of management to discuss any matters that the Committee or the external independent auditor believe should be discussed privately.
- (i) Review with external independent auditor (and any internal auditor if one is appointed by the Corporation) their 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.

- (j) Review and approve any hiring decisions regarding partners, employees and former partners and employees of the external independent auditor.
- (k) Review the Annual Report of the CPAB concerning audit quality in Canada and discuss implications for the Corporation.
- (l) Review any report by CPAB regarding the audit of the Corporation.
- (m) Review with the external independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (n) Resolve any disagreements between management and the external independent auditor.
- (o) When there is to be a change in the external independent auditor, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.

### **3.3 Other Authorities**

- The Committee is empowered to seek any information it requires from employees, all of whom are directed to cooperate with the requests of the Committee or its agents.
- Perform any other activities as the Committee deems necessary or appropriate.

### **4.0 Other Matters**

N/A.

### **5.0 Related Policies and Mandates**

Code of Conduct

Whistleblower Policy

Board and Committee Meeting Guidelines

## **6.0 Review and Modification**

The Committee will review at least annually and recommend to the Governance and Nominating Committee of the Board changes or modifications (if any) to this Mandate, as considered appropriate, from time to time. The Governance and Nominating Committee of the Board will review this mandate annually, at minimum and make recommendations of its own origin and with regard to changes proposed by the Committee (if any) to the Board.

*Approved by the Board on November 23, 2021.*