

KOBO RESOURCES INC.
AUDIT COMMITTEE MANDATE

I. CONSTITUTION AND PURPOSE

The audit committee (the “**Committee**”) has been established by resolution of the board of directors (the “**Board**”) of Kobo Resources Inc. (the “**Corporation**”) for the purpose of assisting the Board in fulfilling its oversight responsibilities in relation to the accounting and financial reporting processes of the Corporation, audits of the financial statements of the Corporation, review of the Corporation’s systems of internal controls and in relation to risk management matters including:

- (a) the review of the annual and interim financial statements of the Corporation;
- (b) the integrity and quality of the Corporation’s financial reporting and systems of internal control, and financial risk management;
- (c) the Corporation’s compliance with legal and regulatory requirements;
- (d) the qualifications, independence, engagement, compensation and performance of the Corporation’s external auditor (the “**Corporation’s Auditor**”); and
- (e) the exercise of the responsibilities and duties set out in this audit committee mandate (the “**Mandate**”).

II. COMPOSITION

The members of the Committee shall be appointed by the Board from amongst the directors of the Corporation (the “**Directors**”) and shall be comprised of not less than three members. A majority of the members of the Committee shall be “independent”, as that term is defined in Canadian securities laws and regulations as well as the rules of relevant stock exchanges (as applicable).

All members of the Committee shall be “financially literate”, as such term is defined in Canadian securities laws and regulations as well as the rules of relevant stock exchanges (as applicable) or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office. The Board shall appoint a chair for the Committee from its members (the “**Chair**”). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Corporation

or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

III. MEETING PROTOCOLS

The Committee shall meet at least once every quarter and shall meet at such other times during each year as the Chair of the Committee deems appropriate. The Chair of the Committee, any member of the Committee, the Corporation's Auditor, the Chairman of the Board, the Chief Executive Officer ("**CEO**") or the Chief Financial Officer ("**CFO**") may call a meeting of the Committee by notifying the Corporation's corporate secretary, who will notify the members of the Committee. A simple majority of members of the Committee shall constitute a quorum.

At least five days' notice of any meeting of the Committee shall be given in writing to each member of the Committee by any means of transmitted or recorded communication that produces a written copy, including by email. Notice may be waived or shortened with the consent of all the members of the Committee. Attendance by a member at a meeting notwithstanding any failure to give notice in accordance with this Mandate shall be deemed to constitute waiver of notice of such meeting by such member. Notice of each meeting of the Committee shall also be given to the Chairman of the Board, the CEO, and CFO, and the Corporation's Auditor.

The Chairman of the Board, the CEO and CFO, if invited by the Chair of the Committee, attend and speak at meetings of the Committee. Other Board members shall also, if invited by the Chair of the Committee, have the right of attendance. A representative of the Corporation's Auditor shall have the right to attend and speak at any meeting of the Committee, and may attend if invited by the Chair of the Committee, in either case at the expense of the Corporation.

The Committee may also invite any other officers or employees of the Corporation, legal counsel, the Corporation's financial advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

At least quarterly, representatives of the Corporation's Auditor shall meet the Committee without any of the executive Directors or other members of management in attendance, except by invitation of the Committee.

The Committee shall at each meeting appoint one of its members or any other attendee to be the secretary of the Committee.

Every question at a Committee meeting shall, if necessary, be decided by a majority of the votes cast.

Subject to any statutory or regulatory requirements or the articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, maintain minutes or other records of its proceedings in sufficient detail to convey the substance of all discussions held and report to the Board at the next meeting of the Board. The minutes of the Committee's meetings shall be tabled at the next meeting of the Board.

The Committee shall prepare a report to shareholders or others, concerning the Committee's activities in the discharge of its responsibilities, when and as required by the by-laws of the Corporation or applicable laws or regulations.

The Chair of the Committee shall be available at the annual general meeting of the Corporation to respond to any shareholder questions on the activities and responsibilities of the Committee.

IV. AUTHORITY

The Committee is authorized by the Board to:

- (a) investigate any matter within its Mandate;
- (b) have direct communication with the Corporation's Auditor;
- (c) seek any information it requires from any employee of the Corporation; and
- (d) retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Corporation, to obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by this Mandate or otherwise by law or the by-laws of the Corporation.

V. ROLES & RESPONSIBILITIES

The Committee shall have the roles and responsibilities set out below, as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these roles and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation.

a) Review of Accounting and Financial Reporting Matters

1. Review the Corporation's interim and annual financial statements, prior to Board approval, where required, and ensure 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 (as applicable).
2. Following such review with management and the Corporation's Auditor, recommend to the Board whether to approve the annual or interim financial statements.
3. Monitor, in discussion with the Corporation's Auditor, the integrity of the financial statements of the Corporation before submission to the Board, focusing particularly on:
 - A. significant accounting policies and practices and any changes in such accounting policies and practices;
 - B. major judgment areas including significant estimates and key assumptions;
 - C. significant adjustments resulting from the audit;
 - D. the going concern assumption;

- E. compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles;
 - F. the Corporation's Auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Corporation's financial reporting;
 - G. compliance with stock exchange (as applicable) and legal requirements;
 - H. the extent to which the financial statements are affected by any unusual transactions;
 - I. significant off-balance sheet and contingent assets and liabilities and the related disclosures (as applicable);
 - J. significant interim review audit findings during the year, including the status of previous audit recommendations; and
 - K. all related party transactions with the required disclosures in the financial statements.
4. On at least an annual basis, review with the Corporation's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements.

b) Relationship with the Corporation's Auditor

1. Consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general or special meeting, in relation to the appointment, re-appointment and removal of the Corporation's Auditor and to approve the compensation and terms of engagement of the Corporation's Auditor for the annual audit, interim reviews and any other audit-related services.
2. Require the Corporation's Auditor to report directly to the Committee.
3. Discuss with the Corporation's Auditor, before an audit commences, the nature and scope of the audit, and other relevant matters.
4. Review and monitor the independence, objectivity and performance of the Corporation's Auditor and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
5. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Corporation.

6. Discuss problems and reservations arising from an audit, and any matters the Corporation's Auditor may wish to discuss (in the absence of management where necessary).
7. Review the Corporation's Auditor's management letter and management's response.
8. Develop and implement a pre-approval policy on the engagement of the Corporation's Auditor to supply non-audit services to the Corporation and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Corporation's Auditor and the preservation of their independence.
9. Consider the major findings of the Corporation's Auditor and management's response, including the resolution of disagreements between management and the Corporation's Auditor regarding financial reporting.

c) Review of Disclosure Controls & Procedures ("DC&P") and Internal Controls Over Financial Reporting ("ICFR")

1. Monitor and review the Corporation's disclosure policy on an annual basis.
2. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Corporation's DC&P including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
3. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of the Corporation's ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
4. Review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Corporation's ICFR and the related corrective and disciplinary action to be taken.
5. Discuss with management any significant changes in the ICFR that are disclosed, or considered for disclosure, in the MD&A, on a quarterly basis.
6. Review the adequacy of internal controls and procedures related to any corporate transactions in which directors or officers of the Corporation have a personal interest, including the expense accounts of senior officers of the Corporation and officers' use of corporate assets.

d) Review of the Corporation's Financing and Insurance

1. Review the adequacy of the Corporation's insurance policies.
2. Review all major financings of the Corporation and its subsidiaries and annually review the Corporation's financing plans and strategies.

e) Financial Risk Management

1. Review with the CEO and CFO and the Corporation's Auditor their assessment of the significant financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures.
2. Review current and expected future compliance with covenants under any financing agreements.
3. Review any other significant financial exposures including such things as tax audits, government audits or any other activities that expose the Corporation to the risk of a material financial loss.
4. Report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Corporation.

f) Complaints and Submissions

The Committee shall establish procedures for:

- A. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- B. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- C. the investigation of such matters with appropriate follow-up action.

g) Corporate Governance

The Committee may, if requested:

- A. review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to insurance, accounting, management reporting and risk management; and
- B. review with management and the external auditor their assessment of the significant financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures.

VI. COMMITTEE EFFECTIVENESS PROCEDURES

The Committee shall review its Mandate on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment.

The procedures outlined in this Mandate are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management, the Corporation's Auditor and other members of the Board to provide input in order to address emerging issues.

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of the Committee's Mandate.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed at least five business days in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and this Mandate, and shall make recommendations to the Board with respect thereto.

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Corporation.

New Committee members shall be provided with an orientation program to educate them on the Corporation, their responsibilities and the Corporation's financial reporting and accounting practices.

VII. ADOPTION AND EFFECTIVENESS

This Mandate was first adopted on April 6, 2023.