

LOOP ENERGY INC. AUDIT COMMITTEE MANDATE

1. Introduction

The Audit Committee (the “Committee” or the “Audit Committee”) of Loop Energy Inc. (the “Company”) is a committee of the Board of Directors (the “Board”) of the Company. The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

a. Number of Members

The Committee shall be composed of three or more members of the Board, subject to any exemptions or relief that may be granted from such requirement under National Instrument 52-110 – *Audit Committees* (“NI 52-110”) or other applicable securities laws, or the rules or requirements of any stock exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, in each case as amended or as are in effect from time to time (collectively, “Applicable Requirements”).

b. Independence of Members

Each member of the Committee must be independent, subject to any exemptions or relief that may be granted from such requirement under Applicable Requirements. “Independent” shall have the meaning, as the context requires, given to it under Applicable Requirements, including without limitation NI 52-110, as may be amended from time to time.

c. Financial Literacy of Members

Subject to any exemptions or relief that may be granted from such requirement under, each member of the Committee shall be “financially literate” within the meaning of 52-110 and otherwise have the ability to read and understand a set of financial statements that present a 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 Company’s financial statements.

d. Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed by the Board, or ceases to be a member of the Board.

e. Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over and set the agenda for all Audit Committee meetings, coordinate

the Audit Committee's compliance with this Mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board.

3. **Meetings**

a. Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities and shall, in any event, meet at least once per quarter.

b. Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A quorum for meetings of the Committee shall be a majority of the members of the Committee, present in person or by teleconference or videoconference that permits all persons participating in the meeting to communicate with each other.

c. Calling of Meetings and Meeting Procedure

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. Notice of the time and place of every meeting shall be given in writing, by electronic transmission or otherwise, to each member of the Committee and the external auditor of the Corporation at least 48 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive notice of a meeting, and attendance of a member at the meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The Chair shall chair all Audit Committee meetings that he or she attends and, in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting. The procedures for holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

d. Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. The Chair will provide a report to the full Board on the key matters discussed and/or decided by the Committee at the Board's next regular meeting after each Committee meeting.

e. Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, insurance agents and brokers, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

f. Meetings without Management

Each regular meeting of the Committee will conclude with a session without any members of management present.

g. Access to Management

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions 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 to the Committee under Applicable Requirements. In addition to these functions and responsibilities, the Committee shall perform the duties required to be performed by an audit committee under any Applicable Requirements.

4.1 Financial Reports

(a) General

The Audit Committee shall assist the Board to discharge its oversight responsibility relating to the integrity of the Company's financial statements and financial disclosures and the financial reporting process.

(b) Review of Annual Financial Reports

The Audit Committee shall review and recommend to the Board for approval the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A") and press release.

(c) Review of Interim Financial Reports

The Audit Committee shall review and approve the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A and press release.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;

- (iv) discuss with management, the auditors and internal legal counsel (if any), any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management, any alternate treatment of financial information that have been discussed with management, the ramifications of use of such alternative classifications, recognitions, derecognitions, measurements, presentations and disclosures and treatments and the auditor's preferred treatment, as well as any other material communications with management with respect to same;
- (vi) discuss with the external auditor whether all material correcting adjustments identified (if any) by the external auditor in accordance with International Financial Reporting Standards are reflected in the Company's financial statements;
- (vii) review with the external auditor all material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences (if any);
- (viii) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under International Financial Reporting Standards;
- (ix) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (x) review management's report on the effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting;
- (xi) review the factors identified by management as factors that may affect future financial results;
- (xii) review results of the Company's whistleblower hotline program; and
- (xiii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) *Periodic Review of Accounting Policies*

The Committee shall review periodically with management and the external auditor the quality, as well as acceptability, of the Company's accounting policies, and discuss with the external auditor how the Company's accounting policies compare with those in the industry.

(f) *Approval of Other Financial Disclosures*

The Audit Committee shall review and recommend to the Board for approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company. With respect to all

other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated, the Committee shall review and approve, or if advisable, shall recommend to the Board for approval.

(g) *Financial Executives*

The Committee shall review and discuss with management the appointment of the Chief Financial Officer and the manager of the company's internal audit function (if any) and recommend qualified candidates to the Board, as appropriate.

(h) *Approval of CEO and Board Chair Expenses*

The Committee shall annually review (in the fourth quarter) a report of all of the corporate expenses submitted by the CEO and Chair of the Board.

(i) *Review of Capital Structure*

The Committee shall review the Company's capital structure and make recommendations to the Board with respect to:

- (i) Compliance under financing arrangements on a quarterly basis;
- (ii) Corporate debt facilities, if any, on a quarterly basis;
- (iii) Proposed issuances of debt or equity, if any (as required).

4.2 External Auditors

(a) *General*

The external auditors shall report directly to the Audit Committee and the Committee shall be responsible for oversight of the work of the external auditors, including the external auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) *Nomination and Compensation*

The Audit Committee shall review and recommend to the Board for approval (i) the external auditors to be recommended to the shareholders for appointment and (ii) the compensation of the external auditor.

(c) *Resolution of Disagreements*

The Audit Committee shall resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

(d) *Discussions with External Auditors*

At least annually, the Audit Committee shall discuss with the external auditors such matters as the Audit Committee considers necessary for the discharge of its function, including without limitation such matters as are required by applicable auditing standards to be discussed by the external auditors with the Audit Committee.

(e) *Audit Plan*

At least annually, the Audit Committee shall review and approve a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.

(f) *Quarterly Review Report*

The Audit Committee shall review a report prepared by the external auditors in respect of each of the annual audited financial statements and interim unaudited financial statements of the Company.

(g) *Independence of External Auditors*

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company; discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the external auditors.

(h) *Evaluation and Rotation of Lead Partner*

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the external auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) *Requirement for Pre-Approval of Non-Audit Services*

The Audit Committee shall approve in advance any retainer of the external auditors to perform any non-audit services to the Company or any of its subsidiaries that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to any independent member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) *Approval of Hiring Policies*

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

4.3 Disclosure and Internal Controls

(a) General

The Audit Committee shall assist the Board to discharge its oversight responsibility relating to the Company's disclosure control and procedures and internal control over financial reporting.

(b) Establishment, Review and Approval

The Company is required to implement and maintain disclosure controls and procedures and internal controls over financial reporting in accordance with Applicable Requirements and to review, evaluate and approve these controls and procedures. The Committee will review, at least annually, the results of management's evaluation of the adequacy and effectiveness of the Company's disclosure controls and procedures and internal controls in connection with the certifications signed by the CEO and CFO. Management's evaluation shall include a review of: (a) policies and procedures to ensure completeness and accuracy of information disclosed in the quarterly and annual reports, prevent earnings management and detect material financial statement misstatements due to fraud and error; and (b) internal control recommendations of the external auditor and arising from the results of the internal audit procedures, including any special steps taken to address material control deficiencies and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.

4.4 Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

4.5 Complaints and Whistleblower Procedures

The Audit Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company (through the Company's Whistleblower Process) of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee at its next quarterly meeting and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the General Counsel to reach a satisfactory conclusion. The Committee shall annually review (in the fourth quarter) the Code of Business Conduct of the Company, including the Whistleblower Procedures, and recommend any proposed amendments to the Board for approval.

4.6 Insurance Coverage

The Audit Committee shall review and approve insurance coverage maintained by the Company (annually or as may be otherwise appropriate).

4.7 IT and Cybersecurity

The Audit Committee shall review and approve the Company's Strategic IT Roadmap, including Cyber Security Plan (annually or as may be otherwise appropriate).

4.8 Audit Committee Disclosure

The Audit Committee shall review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

4.9 Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. Independent Advisors

The Audit Committee shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisers without consulting or obtaining the approval of the Board or any Company officer. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisers.

6. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Notice of Articles and Articles, it is not intended to establish any legally binding obligations or give rise to civil liability on the part of the Company or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.

7. Mandate Review

The Committee shall review and update this Mandate annually and present it to the Board for approval.

Approved March 1, 2022