

Audit Committee Charter

APPROVED BY THE BOARD OF DIRECTORS OCTOBER 21, 2026

Audit Committee Charter

1. Establishment of the Audit Committee

The Board of Directors (the "Board") of Xtract One Technologies Inc. (the "Company") hereby establishes a committee to be called the Audit Committee (the "Audit Committee" or the "Committee").

2. Purpose

The purpose of the Committee is to:

- Assist the Board in fulfilling its financial oversight responsibilities;
- Review the Company's quarterly and annual financial reports and other financial information;
- Serving as an independent and objective party to monitor and review the Company's system of accounting and financial control and manage business and financial risk; and
- Recommending the appointment and reviewing the qualifications, independence, engagement, compensation, and performance of the Company's external auditors.

3. Composition

The Board shall appoint an Audit Committee composed of independent and financially literate Directors as such terms are defined in applicable securities legislation. For purposes of this Charter, a Committee member is "independent" if the member has no direct or indirect material relationship with the Company, including a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A Committee member is "financially literate" if he or she has the ability to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and 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 level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an external organization.

The Audit Chair of the Committee shall be a financial expert as defined in applicable securities legislation.

The Board shall appoint members to serve on the Committee and act as Chair on an annual basis. Each member of the Audit Committee shall hold office until the close of the annual meeting of Shareholders.

The Board may at any time remove or replace a member of the Committee and may fill any vacancy on the Committee that may arise from time to time. A member of the Committee shall cease to be a member if such member ceases to be a Director of the Company or if the member ceases to be independent.

No Director may serve as a member of the Audit Committee if they have been disqualified as a Director or otherwise been found responsible for a breach of fiduciary duty or financial wrong doing in the past.

4. Responsibilities and Duties of the Audit Committee

The Audit Committee shall periodically assess the adequacy of procedures for and the accuracy of the public disclosure of financial information and report to the Board the results of its review and its recommendation regarding all material matters of a financial reporting and audit nature including but not limited to, the following main subject areas:

Financial Reporting:

- Annual and Interim Financial statements;

- Annual and interim Management's discussion and analysis;
- Annual and interim press releases regarding financial results;
- Filings to securities regulators; and
- Public disclosure documents containing audited or unaudited financial information such as the management information circular, the annual information form, prospectuses, and press releases.

Other Financial Matters:

- Review of analyses by management and the external auditor regarding significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements;
- Review of the capital allocation strategy and processes used by management;
- Review of the Company's tax compliance and tax planning strategy, including receiving notification of any material tax audits/disputes and ensuring that management and the Company's advisors develop appropriate responses; and
- Review and approval of all related party transactions in which the Company is involved or which the Company proposes to enter into.

Risk Management Matters:

- Review of litigation matters;
- Review management's program of risk assessment and steps taken to address significant risk or exposures of the Company; and

- Annual review the Company's insurance arrangements (in light of the risk assessments carried out by the Company, as reviewed by the Committee) and make recommendations to the Board in respect of any modifications.

Other Duties:

- Meet with management to discuss areas of concern and coordinate activities with the Chief Financial Officer;

- Review, at least annually, the adequacy of internal controls including internal controls pertaining to IT security, generative artificial intelligence (AI) deployment risks, data governance, and algorithmic transparency within internal control frameworks as applicable;

- Review, at least annually, the nature of transactions between the Company and its Directors, including transactions that may be classified as related party transactions and Director expense reimbursements and make any recommendations to the Board concerning these issues as may be appropriate;

- Review any complaints or concerns of employees of the Company regarding accounting; internal accounting controls, financial reporting or audit matters relating to the Company; and

- Review and update this Audit Charter annually or as conditions dictate.

External Auditor:

- Recommending for appointment, compensation, retention, assessment, and termination of external auditors, who shall report directly to the Committee, and review and approve the terms of the external auditors' annual engagement letter including the proposed audit fee;

- Annual discussion with external auditors in the absence of management on matters of interest, including matters brought to attention of the Board by the external auditors;

- Annual evaluation of the performance of the external auditors;

- Review and pre-approve the audit plans of the external audit firm and all non-audit work undertaken by the external auditor regarding financial reporting; and

- Monitor and assess the independence of the external auditors, including, without limitation:
    i) Ensuring the Committee's receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Company;

    ii) Actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and

    iii) Taking, or recommending that the Board take appropriate action to oversee the independence of the external auditors.

5. Responsibilities of the Audit Committee Chair

The Chair of the Committee shall:

- Establish the frequency of meetings of the Committee and create an agenda for the ensuing year;

- In consultation with management, develop the agenda for Committee meetings and circulate at least one week in advance;

- Provide leadership to the Committee and preside over the Committee meetings;

- Facilitate the flow of information within the Committee and foster an environment where the members are able to ask questions and express their views;

- Deliver the recommendations of the Committee to the board and report on material matters arising from the Committee meetings; and

- Secure outside consultants or reports as necessary.

6. Reliance of Information

The Company's management is responsible for maintaining a system of internal financial control and for preparing the Company's quarterly and annual financial statements and tax planning.

In the absence of any knowledge to the contrary, each member of the Committee is entitled to rely on the accuracy and completeness of the Company's records and upon the reports and statements presented by any of the Company's employees, which the member of the Committee reasonably believes are within their area of professional competence and responsibility.

The Committee may require the attendance of Officers or employees of the Company to attend Committee meetings, and may engage and compensate external advisors, as may be necessary for the proper performance of its duties.

7. Structure and Operations

The following general provisions shall have application to the Committee:

1) The Committee shall have a minimum membership of at least three (3) Directors;

2) The Committee will meet at least four (4) times per year, and may meet at other times as required and such meetings may be held by telephone or by any other means which enables all participants to communicate with each other simultaneously and as necessary.

3) The quorum for meetings of the Committee shall be two (2) members, present in person or by telephone or other telecommunications device that permits all persons participating in the meeting to speak and to hear each other;

4) Adequate notice of each meeting of the Committee will be given to each member of the Committee;

5) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all members of the Committee;

6) Meetings shall be convened by the Audit Committee Chair and shall be supported by a written notice of the meeting statement the nature of the business to be transacted at the meeting in reasonable detail and with an agenda and such other materials as may be required from time to time;

7) The Committee may invite the external auditors or independent advisors to be present at any meeting of the Committee and to comment on any financial statements or on any of the financial aspects of the Company;

8) Each Committee meeting will include a portion without the presence of management; and

9) Proceedings of the Committee shall be recorded in minutes; such minutes being made available to Directors who are not members of the Committee.