

Revised February 17, 2021

Overview and Purpose

The Audit Committee (the “Committee”) is appointed by and responsible to the Board of Directors (the “Board”) of Pulse Seismic Inc. (the “Corporation”). The Committee oversees the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation, in accordance with applicable laws and securities policies and instruments and these Terms of Reference.

The Committee has the authority to investigate any financial activity of the Corporation. The primary responsibilities of the Committee include:

- assessing the processes related to identification of risks and effectiveness of the control environment;
- overseeing financial reporting; and
- evaluating the external audit process.

The Committee shall have unrestricted access to the Corporation’s personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

Composition

The Committee will be comprised of a minimum of three directors. All Committee members will be independent and financially literate within the meaning of NI 52-110 Audit Committees.

The members of the Committee shall be appointed or reappointed at the meeting of the Board immediately following each annual meeting of the shareholders of the Corporation. Each member of the Committee shall continue to be a member thereof until such member’s successor is appointed, unless such member shall resign or be removed by the Board or such member shall otherwise cease to be a director of the Corporation. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three (3) directors as a result of the vacancy.

The members of the Committee shall choose one of its members to serve as Chair (the “Chair”) who is responsible for the preparation of reports to the Board and conducting the meetings of the Committee. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present. Resolutions of the Committee shall be carried by the majority of the votes of the members of the Committee present at the meeting.

All members of the Board shall be free to attend any meetings of the Committee and participate, but only those members of the Committee shall be entitled to vote on any question before the Committee. Other than members of the Board, entitlement to attend all or a portion of any Committee meetings shall be determined by the Chair of the Committee or its members. The Chair of the Board is an ex-officio and non-voting member of the Committee, unless appointed by the Board as a full member of the Committee.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

Responsibilities

The responsibilities of the Committee include the following:

- To review the Corporation's quarterly financial statements, quarterly management's discussion and analysis and the financial information contained in the interim results news releases and interim reports to shareholders, and to provide recommendations to the Board for their approval;
- To review the Corporation's annual audited financial statements and notes thereto and satisfy itself that they are fairly presented in accordance with International Financial Reporting Standards (IFRS) and to recommend to the Board whether such financial statements should be approved;
- To review the annual management's discussion and analysis, the financial information contained in the annual results news releases and annual reports to shareholders, and the financial information contained in the Annual Information Form (the "AIF"), to determine that they provide consistency of disclosure with the financial statements themselves, and to provide recommendations to the Board for their approval;
- To review the disclosure of Audit Committee information contained in the AIF, and to provide recommendations to the Board for its approval;
- To review such other financial information as the Corporation may publish from time to time including financial information in prospectuses and other offering documents and financial information required by regulatory authorities, to satisfy itself that they are fairly presented in accordance with IFRS, and to provide recommendations to the Board for their approval;
- To review and monitor accounting policies and practices, including critical accounting estimates;
- To review and monitor risk management practices, including cyber security;
- To review and monitor any material litigation involving the Corporation;
- To satisfy itself that management of the Corporation has implemented appropriate systems of internal control over financial reporting and determine that these are operating effectively;
- To obtain reasonable assurance through discussions with management and external auditors that the Corporation's accounting systems are reliable and that internal controls are adequate. The Committee will review the evaluation of internal controls by the external auditors, including any recommendations for improvement of accounting procedures and internal controls, together with management's response.
- To satisfy itself that the external audit function has been effectively carried out in a cost effective manner and that any matter which the external auditors wish to bring to the attention of the Board has been addressed;
- To review the annual appointment of external auditors for recommendation to the Board for approval by the shareholders of the Corporation, and to review the compensation of the external auditors and provide a recommendation to the Board for approval;

- To review any new appointment to the position of chief financial officer or to any other key executive position with financial reporting responsibilities;
- To review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditors (provided that the Committee may adopt policies and procedures for the pre-approval of de minimus non-audit services and for the delegation of the pre-approval of non-audit services to one or more members of the Committee, in accordance with NI 52-110 Audit Committees);
- To review on an annual basis the Terms of Reference of the Committee; and
- To satisfy itself that the interim and annual certifications by the Corporation's CEO and CFO of the Corporation's interim and annual financial statements are completed and filed in accordance with applicable securities laws and policies.

In addition, the Chair of the Committee (or in the Chair's absence, any other member of the Committee) will review and approve any earnings guidance and any news release containing financial information based on the Corporation's financial statements prior to their release (other than financial information contained in interim and annual results news releases, which are to be approved by the Committee as provided above.)

Procedures

The Committee will be satisfied 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 (other than the public disclosure of financial statements, MD&A and annual and interim earnings news releases and reports to shareholders referred to above under "Responsibilities") and will periodically assess the adequacy of those procedures.

The Committee will establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

External Auditor

The external auditor will report directly to the Committee.

The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

Authority

The Committee has the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Committee; and
- (c) to communicate directly with the internal and external advisors.

Meetings

The Committee will meet at least four times per year and additionally as necessary to discharge its responsibilities as outlined herein. Upon consultation with and approval by all parties affected, the business of the Committee may be conducted by way of a video conference or telephone conference call.

The time and place of meetings of the Committee and the procedures at such meetings shall be determined from time to time by the members thereof, provided that a quorum for meetings shall be a majority of the members of the Committee.

Notice of the time and place of and an agenda and related materials respecting every meeting shall be given in writing or electronic communication to each member of the Committee at least 48 hours prior to the time listed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a 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 Committee may invite such officers, directors and/or employees of the Corporation as it may see fit from time to time to attend a meeting of Committee and assist in the discussion and consideration of the matters being considered by the Committee.

The Corporation's external auditors will be invited to attend Committee meetings when appropriate, particularly if they have been asked to provide any form of service with respect to specific agenda items.

Reporting

The minutes of all meetings of the Committee are to be provided to the Board. Oral reports by the Chair on recent matters not yet recorded in the minutes are to be provided to the Board at its next meeting.

Supporting schedules and information reviewed by the Committee will be available for examination by any directors upon request to the Chair of the Committee.

Calendar for Meetings

The following outlines a suggested program for regular meetings of the Committee. Prospectuses, acquisitions, or takeovers will require meetings over and above the following annual program.

Meeting Prior to Release of Annual Financial Statements (March)

- Discuss the audited annual financial statements and auditors' report thereon and annual management's discussion and analysis in detail with the Corporation's senior officers and external auditors.
- Review and discuss critical accounting estimates and underlying assumptions with the Corporation's senior officers and external auditors.
- Review and confirm the scheduled filing of the annual certifications by the Corporation's CEO and CFO of the annual financial statements.

- Review the financial information contained in the annual results news release and annual report to shareholders.
- Review the financial information and the disclosure of Audit Committee information contained in the AIF.
- Review a summary provided by the Corporation's senior officers of the status of any material pending or threatened litigation, claims and assessments.
- Review the Terms of Reference of the Committee on an annual basis, and recommend to the Board of Directors such amendments to such mandate as the Committee believes are necessary or desirable.
- Review and assess the adequacy of the procedures for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.
- Review and assess the adequacy of the procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters.
- Discuss in private with the Corporation's Controller the internal controls over financial reporting.
- Discuss in private with the Corporation's senior officers the level and timeliness of service provided by the auditors and whether they recommend the reappointment of the auditors.
- Provide the Board a recommendation as to whether the annual financial statements and management's discussion and analysis, the financial information contained in the annual results news release and annual report to shareholders, and the financial information and disclosure of Audit Committee information contained in the AIF should be approved.
- Recommend to the Board each year the retention or replacement of the external auditors and their compensation.

Meeting Prior to Release of First Quarter Results (May)

- Obtain information on any changes in financial reporting requirements that may affect the current year's financial statements.
- Review interim financial statements, interim management's discussion and analysis, the interim review report of the external auditors, and the financial information contained in the interim results news release and interim report to shareholders with the Corporation's senior officers and the external auditors and provide recommendations to the Board for their approval prior to their release.
- Review and confirm the scheduled filing of the interim certifications by the Corporation's CEO and CFO of the interim financial statements.

- Obtain information on how the Corporation's senior officers monitor the effectiveness of the Corporation's financial reporting controls. Inquire into any significant changes planned regarding systems or controls within the next year.
- Review reports from senior officers outlining any significant changes in financial or other risks facing the Corporation.
- Review the management letter of the external auditors and the Corporation's responses to the suggestions made.
- Obtain and review an annual report on cyber security from the Corporation's IT Manager.

Meeting Prior to Release of Second Quarter Results (August)

- Review interim financial statements, interim management's discussion and analysis, the interim review report of the external auditors, and the financial information contained in the interim results news release and interim report to shareholders with the Corporation's senior officers and the external auditors and provide recommendations to the Board for their approval prior to their release.
- Review and confirm the scheduled filing of the interim certifications by the Corporation's CEO and CFO of the interim financial statements.
- Review reports from senior officers outlining any significant changes in financial or other risks facing the Corporation.

Meeting Prior to Release of Third Quarter Results (November)

- Review interim financial statements, interim management's discussion and analysis, the interim review report of the external auditors, and the financial information contained in the interim results news release and interim report to shareholders with the Corporation's senior officers and the external auditors and provide recommendations to the Board for their approval prior to their release.
- Review and confirm the scheduled filing of the interim certifications by the Corporation's CEO and CFO of the interim financial statements.
- Review reports from senior officers outlining any significant changes in financial or other risks facing the Corporation.
- Review the terms of engagement of the external auditors and the audit planning summary.
- Obtain summaries of complex financings and other significant transactions, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration.
- Obtain draft skeleton financial statements and draft notes to financial statements and assess, on a preliminary basis, the reasonableness of the financial statements in light of presentations by the chief financial officer.

Meeting(s) to be called as Required

- Review the financial information contained in any prospectus or other offering document prior to its release.
- Review any significant accounting policy changes.
- If there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition.
- Review any new appointment to the position of chief financial officer or to any other key executive position with financial reporting responsibilities.

Standard Agenda Items

- Questions for Management and Auditors
- Questions for Private Discussion with External Auditors (Members of Management not present)
- Questions for Private Discussion with Management (External Auditors not present)
- Report from the Chair of the Committee on (a) any complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and (b) any confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters (Management and External Auditors not present).