

MIMI'S ROCK CORP.

AUDIT & RISK COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the audit & risk committee (the "**Committee**") of the board of directors (the "**Board**") of Mimi's Rock Corp. (the "**Corporation**").

1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) financial reporting and disclosure requirements;
- (b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of the Corporation; and
- (c) external and internal audit processes.

2. Composition and Membership

- (a) The Board will appoint the members of the Committee (the "**Members**"). The Members will be appointed to hold office until the next annual general meeting of shareholders of the Corporation or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for financial literacy established by applicable laws and the rules of any stock exchanges upon which the Corporation's securities are listed, including National Instrument 52-110 – *Audit Committees* and each Member will meet the criteria for independence established by the aforementioned laws and rules. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
- (c) The Board will appoint one of the Members to act as the chair of the Committee (the "**Chair**"). The Chair may appoint an individual to act as the secretary at any Committee meeting. The secretary of the Committee meeting will maintain minutes of the meetings and deliberations of the Committee. The secretary need not be a Member in order to act as the secretary of a Committee meeting.

3. Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the external auditors of the Corporation, the Lead Independent Director, the Chair, the Chief Executive Officer or the Chief Financial Officer of the Corporation or

any Member, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of the members to act as Chair of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee as may be determined by the Chair of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chair, with the assistance of the secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Corporation to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4. Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are as follows:

4.1 Financial Reporting and Disclosure

- (a) The Committee shall review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee.
- (b) The Committee shall review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information.
- (c) The Committee shall review with management of the Corporation, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Corporation's financial position and the results of its operations in accordance with IFRS, as applicable.
- (d) The Committee shall seek to 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, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

- (e) The Committee shall review the minutes from each meeting of the Responsible Parties, established pursuant to the Corporation's corporate disclosure policy, since the last meeting of the Committee.

4.2 Internal Controls and Audit

- (a) The Committee shall review the adequacy and effectiveness of the Corporation's system of internal control and management information systems through discussions with management and the external auditor to ensure that the Corporation maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Corporation's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of the Corporation at any particular time.
- (b) The Committee shall satisfy itself that management has established adequate procedures for the review of the Corporation's disclosure of financial information extracted or derived directly from the Corporation's financial statements.
- (c) The Committee shall satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations.
- (d) The Committee shall review and discuss the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- (e) The Committee shall review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of the Corporation's risk management policies and procedures with regard to identification of the Corporation's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Corporation.
- (f) The Committee shall recommend the appointment, or if necessary, the dismissal of the head of the Corporation's internal or external audit process.

4.3 External Audit

- (a) The Committee shall recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Corporation.
- (b) The Committee shall ensure the external auditors report directly to the Committee on a regular basis.
- (c) The Committee shall review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.
- (d) The Committee shall review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

- (e) The Committee shall review the audit plan of the external auditors prior to the commencement of the audit.
- (f) The Committee shall establish and maintain a direct line of communication with the Corporation's external and internal auditors.
- (g) The Committee shall meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present.
- (h) The Committee shall oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor team.
- (i) The Committee shall oversee the work of the external auditors appointed by the shareholders of the Corporation with respect to preparing and issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of issues between management of the Corporation and the external auditors regarding financial disclosure.
- (j) The Committee shall review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Corporation, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.
- (k) The Committee shall discuss with the external auditors their perception of the Corporation's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.
- (l) The Committee shall discuss with the external auditors their perception of the Corporation's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.
- (m) The Committee shall review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- (n) The Committee shall review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 Risk Management Oversight

- (a) The Committee shall periodically review, with the Corporation's management team, the Corporation's systems to monitor and manage major business risks and legal and ethical compliance programs. The Committee shall receive regular reports on compliance systems and procedures and reports on the Corporation's risk management policies and procedures.

- (b) The Committee shall review and consider, at least annually, the Corporation's approach to managing cyber-related risks.
- (c) The Committee shall review and recommend to the Board for approval the risk related disclosure in the Corporation's annual information form, financial statements and related management's discussion and analysis.

4.5 Compliance with Legal and Regulatory Requirements

- (a) The Committee shall review reports from the Corporation's secretary, legal counsel and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators.
- (b) The Committee shall review management's evaluation of and representations relating to compliance with applicable law and management's plans to remediate any deficiencies identified.

4.6 Associated Responsibilities

- (a) The Committee shall review and approve the Corporation's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Corporation.

4.7 Non-Audit Services

- (a) The Committee shall pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5. Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Corporation's financial information or public disclosure.

6. Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the annual information form. The secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7. Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8. Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.