



ACN 139 847 555

**Audit & Risk Committee  
Charter**

## Contents

	<b>Page</b>
<b>1 Role</b>	<b>1</b>
<b>2 Composition</b>	<b>1</b>
<b>3 Duties</b>	<b>1</b>
<b>4 Authority</b>	<b>4</b>
<b>5 Attendance</b>	<b>4</b>
<b>6 Meetings</b>	<b>5</b>

## **1.0 Role of the Audit & Risk Committee**

The role of the Audit & Risk Committee (Committee) is to assist the Board in meeting its obligations under Corporate Governance Principles through oversight of the Company's corporate reporting, compliance with legal and regulatory requirements, internal control structure, risk management strategy and external audit functions.

In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee and the External Auditor as well as management with responsibility for the above-mentioned tasks.

## **2.0 Composition**

- 2.1 The Audit & Risk Committee will comprise of only non-executive directors of the Company with the attendance of the Managing Director/Chief Executive Officer being by invitation.
- 2.2 The Committee should comprise at least one Director who possesses accounting or related financial expertise and qualifications and at least one Director who has experience in and an understanding of the mineral exploration environment.
- 2.3 The Chairman of the Board will also act as Chairman of the Audit & Risk Committee.
- 2.4 Notwithstanding that the Company Secretary is a director of the Company, the Company Secretary will be responsible for the preparation and submission of reports and papers for review by the Committee but will not be a member of the Committee.

## **3.0 Duties of the Committee**

### **3.1 Internal control**

The Committee will keep under review the effectiveness of the Company's corporate reporting and internal control policies and its procedures for the identification, assessment and reporting.

### **3.2 Risk management**

The Committee will review the Company's risk management strategy at least annually to satisfy itself that management has identified all appropriate risks and has put in place appropriate risk mitigation process with officers of the Company aware of their responsibilities for risk management.

The risk management strategy encompasses:

- (a) assessing the political, technical, operational, financial, health and safety, environment and security the risks related to each exploration project held by the Company; and
- (b) determining whether the identified risks are complete, the measures developed to mitigate those risks are adequate and the processes developed to monitor the risk level, mitigation measures are effective.

### **3.3 External audit**

The Committee will:

- (a) consider and make recommendations to the Board as regards the appointment and termination of the Company's External Auditor, and will ensure that key partners within the appointed firm are rotated from time to time in accordance with the Company's External Auditor Policy;
- (b) meet with the External Auditor at least twice each year and will ensure that any auditor's management letters and management's responses are reviewed;
- (c) approve the scope of the audit, the terms of the annual engagement letter and audit fees; and
- (d) keep under review the Company's relationship with the External Auditor, including (but not limited to):
  - (i) the appointed firm's independence and objectivity;
  - (ii) the External Auditor's performance;
  - (iii) the audit fees;
  - (iv) the nature and quantum of non-audit services provided by the External Auditor, including the amount of fees paid for such services; and
  - (v) compliance with accounting standards and any proposals which the External Auditor has with regard to internal processes.

### **3.4 Geological audit**

The Committee should also review the policies and procedures governing quality assurances and quality control of exploration, sampling and assaying and the measurement of Resources and Reserves under the latest applicable Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

At any review of the geological policies and procedures and JORC Resources and Resources the Company Secretary will ensure that both geological consultants and Competent Person are in attendance and submit appropriate papers.

### **3.5 Financial statements**

The Committee will:

- (a) keep under review the consistency of accounting policies both on a year to year basis and across the Company and the Group; and
- (b) review and challenge where necessary the Company's financial statements taking into account:
  - (i) critical accounting policies and practices and any changes in them;
  - (ii) decisions requiring a major element of judgement;
  - (iii) the extent to which the financial statements are affected by any unusual transactions;
  - (iv) the clarity of disclosures;
  - (v) significant adjustments resulting from the audit;
  - (vi) the going concern assumption;
  - (vii) the consideration of valuation of exploration assets;
  - (viii) compliance with accounting standards;
  - (ix) compliance with securities exchange in both Australia and, if required, other legal requirements; and
  - (x) the Managing Director/Chief Executive Officer and the Company Secretary statements to the Board made pursuant to the requirements of Recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* 4th edition.

### **3.6 Reporting responsibilities**

The Chairman of the Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval.

### **3.7 Other matters**

The Committee will be:

- (a) responsible for oversight of the Company's ethical complaints process;
- (b) review the Company's policies covering Bribery Corruption and Fraud, Manual of Authorities, Whistle-blowers and such other policies the Board requests the Committee to review and oversee;
- (c) review the Company's annual insurance plan and maintain oversight of the Company's insurance activities;
- (d) oversee any investigation of activities in alleged breaches of Bribery Corruption and Fraud and Whistle-blower policies; and
- (e) on a regular basis, review its own performance and Charter to ensure that it is operating effectively.

### **4.0 Authority**

The Committee is authorised to:

- (a) resolve any disagreements between management and the External Auditor regarding the Company's corporate reporting;
- (b) seek any information it requires from any employee of the Company and from the External Auditor in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter;
- (d) call any member of staff to be questioned at a meeting of the Committee as and when required; and
- (e) approve accounting policies and procedures and auditing methodology. Issues of material importance however will be referred to the Board with the Committee's recommendation.

### **5.0 Attendance**

Members of the Committee, and any other Directors wishing to attend, are entitled to be present at Committee meetings (except in circumstances where there is a conflict of interest).

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular the Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without management present.

The Chief Executive Officer and the Company Secretary/Chief Financial Officer representative(s) of the External Auditor will normally be invited to attend meetings.

## **6.0 Meetings**

### **6.1 Frequency**

The Committee will hold at least two regular meetings a year (two are specifically held to review the half year and annual accounts) and such additional meetings as the Chairman of the Committee shall decide in order for the Committee to fulfil its duties.

### **6.2 Agenda**

The Company Secretary will:

- (a) in conjunction with the Chairman of the Committee, set agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business and specifically the business covered by the current meeting planner;
- (b) distribute agendas and supporting papers to members of the Committee at least four (4) days in advance of the relevant meeting; and
- (c) keep and distribute minutes of each meeting.

### **6.3 Minutes**

Minutes of the meetings of the Committee are distributed first to the Chairman of the Committee for confirmation and then to members as soon as practicable and distributed to all Directors with their Board papers (unless circumstances otherwise require, for example where there is a conflict of interest).

### **6.4 Quorum**

The quorum for a meeting of the Committee will be a majority of members; however, with all non-executive directors, at this time, comprising the composition of the Committee a quorum will require all non-executive directors to be in attendance for a quorum to be recorded.