
AUDIT AND RISK COMMITTEE CHARTER

1. OVERVIEW

1.1 In all its activities Aeramentum Resources Limited (ACN 650 754 484) (**Company**) will adopt a structured and consistent approach to corporate governance and overseeing the Company's internal control structure, which will assist in the alignment of strategy, procedures, people, behaviour and technology for the purpose of evaluating and managing the risks the Company faces in protecting and creating shareholder value.

1.2 The board of directors (**Board**) of the Company has established an Audit and Risk Committee (**Committee**).

1.3 This charter (**Charter**) outlines the scope of the Committee's responsibilities in relation to the Company and provides a framework within which the Committee will operate.

2. COMMITTEE OBJECTIVES

2.1 The primary function of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- (a) the adequacy and integrity of corporate reporting;
- (b) the application of appropriate accounting policies;
- (a) legal and regulatory compliance;
- (b) internal control and risk management systems;
- (c) monitoring the effectiveness of audit functions;
- (d) the oversight of the risk management and control framework of the Company including the development of risk profiles as a part of the overall business and strategic planning process; and
- (e) implementation of a policy framework to ensure that the risks of the Company and its related bodies corporate are identified, analysed, evaluated, monitored and communicated within the organisation on an on-going basis, and that adequate controls are in place and functioning effectively.

3. CORPORATE REPORTING AND AUDIT RESPONSIBILITIES

3.1 The Committee's responsibilities with respect to corporate reporting are:

- i. to proactively oversee the Company's corporate reporting and disclosure processes and make recommendations to the Board in relation to the outputs of those processes;
- ii. to assess the appropriateness of accounting policies and principles adopted by the Company's managers, in relation to financial reporting and make relevant recommendations to the Board, ensuring that they are in accordance with the stated financial reporting framework;
- iii. to review the Company's financial reports and make recommendations to the Board as to whether they present a true and fair view of the Company's financial position and performance;
- iv. to make recommendations to the Board regarding the appointment or removal of an external auditor, as well as in relation to the auditor's independence and performance;
- v. to make recommendations to the Board as to the scope and adequacy of the external audit;
- vi. to review information received from the external auditor and bring to the Board's attention any relevant matters that may affect the quality of the Company's financial reports;
- vii. to maintain a free and open communication forum between the Committee, external auditors and management; and
- viii. any other responsibilities as determined by the Committee or the Board from time to time.

4. RISK MANAGEMENT RESPONSIBILITIES

4.1 The Committee's responsibilities with respect to risk management and internal control are:

- i. to ensure that the Company has implemented a sound risk management framework and appropriate internal control systems;
- ii. to review at least annually the effectiveness of the Company's risk management and internal control systems and make relevant recommendations to the Board;
- iii. to monitor compliance with regulatory requirements under the ASX Listing Rules (if listed), the *Corporations Act 2001* (Cth) (**Act**) and any other relevant guidelines;

- iv. to monitor the Company's exposure to economic, environmental and social sustainability risks, and make recommendations to the Board as to how those risks should be managed;
- v. to make recommendations to the Board in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with it;
- vi. to review and monitor the propriety of related-party transactions; and
- vii. any other responsibilities as determined by the Committee or the Board from time to time.

5. AUTHORITY AND ACCESS

5.1 The Committee has authority to investigate any activity within this Charter and any other matters specifically brought to its attention by the Board.

5.2 The Committee has authority to engage appropriate independent advisers as necessary to assist in carrying out its duties.

5.3 In discharging its role, the Committee shall have unrestricted access to:

- i. all books and records of the Company;
- ii. all staff, including the management to seek information and explanations from them; and
- iii. the Company's auditors, both internal and external, including the right to seek explanations and information from them without management being present.

6. COMPOSITION

6.1 The Board will determine all appointments to the Committee, rotations, resignations and eligibility for re-election in accordance with the ASX Listing Rules (if listed), the Act and any other applicable general law.

6.2 The Committee will be comprised of at least 2 members (or if the Board is of sufficient size at least 3 member), all of whom should be non-executive Directors and a majority of whom must be independent Directors.

6.3 The Committee will appoint a secretary (**Secretary**).

6.4 The Committee must be of a sufficient size and possess the requisite skill and independence to effectively discharge its obligations.

6.5 In considering overall Board balance, the Committee will give due consideration to the value of a diversity of skills, backgrounds and experiences among the members.

6.6 All members of the Committee must be able to comprehend financial reports and possess a working knowledge of general finance and accounting practices, as well as an understanding of the industry in which the Company operates.

6.7 To the extent practicable, at least one non-executive, independent member of the Committee should be a qualified accountant or financial professional with appropriate expertise in financial and accounting matters.

6.8 The Chair of the Board may not also hold the position of Chair of the Audit and Risk Committee.

7. COMMITTEE MEETINGS

7.1 Frequency and attendance at meetings

- i. The Committee will meet as required to perform its functions. It is expected that the Committee will meet at least twice per year.
- ii. The Chair must call a meeting if requested to do so by any member of the Committee, the external auditor or the chairman of the Board.
- iii. If the Chair is absent from a meeting, the members present shall have authority to choose one of their number to chair that particular meeting.
- iv. Committee meetings may be held by technological means which allow members to participate without being physically present in the same place.
- v. As necessary or desirable, the Committee may invite management, auditors, external advisors, or any other persons to attend and contribute to meetings.

7.2 Voting at meetings

- i. Each member of the Committee will have one vote.
- ii. In the case of an equality of votes, the Chair does not have a casting vote in addition to his or her deliberative vote.

7.3 Conflicts

- i. The Committee shall participate in the annual Board performance review.
- ii. No Committee member will determine their own performance.
- iii. No Committee member will be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her election, re-election, or removal.

7.4 Quorum

- i. A quorum shall be any two Committee members.

7.5 Minutes

- i. The Secretary must keep minutes of all Committee meetings.
- ii. The minutes of each Committee meeting must be approved by the Chair and distributed to all Committee members.

7.6 Agenda and documents

The agenda and supporting papers are to be delivered to Committee members by the Secretary in advance of each meeting.

8. REPORTING TO THE BOARD

Following each Committee meeting the Chair will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.

The minutes of each Committee meeting are to be tabled at the next Board meeting.

At the end of each reporting period, the Committee must disclose to the Board:

- i. the number of times that it met during the period and the individual attendances of its members at those meetings; and
- ii. the matters of importance and sufficient information to facilitate informed decision making.

9. REVIEW TO THIS POLICY

The Committee will review this Charter at least annually to ensure that it accords with best practice and remains consistent with the Committee's authority, objectives and responsibilities.

The Committee will review this Charter at least annually and make recommendations to the Board in relation to any proposed change to this Charter.

This Charter may be amended from time to time by resolution of the Board.