

## AUDIT & RISK COMMITTEE CHARTER

### PURPOSE

The audit & risk committee charter of Mineral Deposits Limited (**MDL** or the **Company**) defines the objectives, membership, authority, responsibilities and procedures of the audit & risk committee (**Committee**).

### OBJECTIVES

- Ensure the integrity of MDL's financial reporting.
- Oversee the independence of the external auditors.
- Ensure a sound system of risk identification, assessment, reporting and management.
- Ensure that controls are established and maintained to safeguard the Company's financial and physical resources.
- Ensure that systems and procedures are in place so that the Company complies with relevant statutory, regulatory and reporting requirements.

### MEMBERSHIP

- Members shall be non-executive board directors, the majority of whom are independent. There must be at least three members.
- The chairperson of the Committee shall be an independent director who is not the board chair.
- The Committee shall meet often enough to undertake its role effectively.
- All Committee members shall have sufficient financial literacy and knowledge of industry dynamics and Company operations to effectively discharge the Committee's objectives. Ideally, at least one member should have relevant formal qualifications and experience.
- The company secretary of the board shall be the secretary of the Committee.
- A quorum will comprise any two Committee members.

### AUTHORITY & RELIANCE

The Committee:

- has the authority to require members of management (including executive directors) or others to attend meetings and to provide advice or information;
- shall have access to legal or other specialist advice to assist in the proper exercise of its responsibilities;
- is entitled to rely on Company employees and professional advisers or consultants to the Company where there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent, and the reliance was made in good faith and after making an independent assessment of the information; and
- makes recommendations to the board and does not relieve the board of its responsibilities in these matters.

### RESPONSIBILITIES

#### ACCOUNTING & FINANCIAL REPORTING

- Assess whether the resources devoted to the accounting function (including training and succession planning) are adequate to ensure that reporting arrangements are of high quality and to advise the board of any identified shortcomings.
- Review and assess executive management's processes and policies regarding external reporting.
- Make determinations in relation to the choice of accounting policies.
- Review draft annual and half-year financial statements and reports and make a recommendation to the board prior to endorsement by the board for public disclosure.
- Appraise matters related to capital management (e.g. proposed dividends).
- Consider and review the adequacy of internal controls.

#### INDEPENDENT EXTERNAL AUDIT

- Assess the performance and independence of the external auditor on an annual basis, and oversee the rotation of audit partners.
- Review and approve the audit plan (approach, scope, methodology) proposed by the auditor and assess whether audit plans developed by the external auditor are consistent with the financial and operating risks facing the organisation.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Conduct audit tenders periodically, and recommend the selection and appointment of an auditor.
- Review audit fees each year and the terms of the audit engagement.
- Review and approve all non-audit services to be provided to the Company or its subsidiaries by its external auditor.

#### INTERNAL AUDIT

The Company is not currently of a size that can support an internal audit function. The need for an internal audit function will be monitored and reviewed by the Committee on a regular basis.

#### RISK MANAGEMENT

- Oversee the identification of significant risks and their consequences.
- Ensure that periodic assessments of the risks faced by the Company in the course of its operating activities are undertaken and review and agree on the arrangements effected to manage or mitigate those risks.
- Review and assess the adequacy of the Company's risk management framework, including the identification of material exposure to and management of economic, environmental and social sustainability risks.
- Review management's approach to the management and reporting of risks having regard to the Company's risk oversight and management policy.
- Periodically review the Company's insurance program having regard to business and operating risks.

#### COMPLIANCE

Ensure that the procedures established to monitor compliance with statutory requirements, regulations, and contractual obligations are appropriate.

#### PROCEDURES

##### MEETINGS & ATTENDANCE

- The chairman shall establish the agenda for each meeting of the Committee and shall ensure that properly prepared materials are circulated to members of the Committee in accordance with this charter.
- The chairman shall ensure that internal and external resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- Minutes of meetings of the Committee shall be kept by the secretary. Minutes shall be distributed to all Committee members and the board chairman, after preliminary approval has been given by the chairman of the Committee. Minutes, agenda and supporting papers will be made available to every director of the Company providing no conflict of interest exists.
- All directors who are not members of the Committee shall have the right to make enquiry to the Committee regarding matters conducted and reviewed by the Committee.
- The chief executive officer and the chief financial officer may be invited to attend any or all meetings of the Committee (though not necessarily for all agenda items).
- The external auditor may be invited to attend any or all meetings (though not necessarily for all agenda items).

##### REPORTING RELATIONSHIPS WITH THE EXTERNAL AUDITOR

- The external auditor shall report directly to the Committee and the Committee shall have authority to communicate directly with the external auditor.
- The chairperson of the Committee shall provide opportunities for the external auditor to meet with the Committee without executive directors or other management representatives present.

**REPORTING TO THE BOARD**

The Committee should report regularly to the board. The report should contain all matters relevant to the Committee's role and responsibilities.

**CONFIDENTIAL COMMUNICATIONS FROM EMPLOYEES AND OTHERS**

- Employees shall be advised that they may communicate to the chairperson of the Committee regarding potential fraud or misappropriation, weaknesses in internal controls, or the adequacy or accuracy of information being provided within the Company to the board. Such employee communications shall be treated as confidential.
- The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters.

**REVIEW**

- The Committee will revisit its purpose and responsibilities and evaluate the effectiveness of its performance against the provisions of this charter at least annually.
- The board will conduct an annual review of the operation and performance of the Committee.
- This charter will be periodically reviewed to ensure that it is effective and continues to meet the needs of the Company and the Committee.