



Audit & Risk Committee Charter

Peak Minerals Limited

ACN 072 692 365

1. Scope

- 1.1 The Audit & Risk Committee (**Committee**) is a Committee of the Board of directors (**Board**) of Peak Minerals Limited ACN 072 692 365 (**Company**) with the specific powers delegated under this Charter. The Charter sets out the Committee's function, composition, mode of operation, authority and responsibilities.
- 1.2 The Committee will also undertake the role of the audit and risk committee for the board of each subsidiary of the Company (**Subsidiary**) where required. In making decisions in relation to a Subsidiary, the Committee is acting as a committee of the board of that Subsidiary.
- 1.3 The Committee will assist the Board to fulfil its oversight responsibilities in respect of financial reporting, risk management, compliance and associated internal controls. The Committee will review the financial reporting process, the system of internal control and management of financial risks, and the process and coverage of internal and external audit together with business risks including strategic risk, operation and regulatory risk and compliance with applicable laws, regulations and Company policies.

2. Function

- 2.1 The Committee's key responsibilities and functions are to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company. In addition, the Committee will:
- (a) oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors (if and when appointed);
 - (b) determine the independence and effectiveness of the external and internal auditors;
 - (c) maintain open lines of communications among the Board, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
 - (d) oversee the preparation of the financial statements and report;
 - (e) oversee the Company's financial controls and systems;
 - (f) manage the process of identification of risk and the management of risk strategies;
 - (g) to review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public; and
 - (h) review the adequacy of the reporting and accounting controls of the Company.
- 2.2 The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Company or professional advisers where appropriate.

3. Membership and Composition

- 3.1 The Board shall appoint the members of the Committee. The Committee will comprise:
- (a) at least three members;
 - (b) only Non-executive Directors;
 - (c) a majority of Independent Directors;
 - (d) an Independent Chairperson appointed by the Board and who is not the Chairperson of the Board; and
 - (e) where possible, members with sufficient financial skills and experience relevant to the Committee's function.

4. Authority

4.1 In performing its functions in accordance with any applicable law, the Committee:

- (a) has unrestricted access to the external auditors, the internal audit firm, Senior Management and employees of the Company. Management and employees are directed to co-operate with Committee's requests or from external parties;
- (b) has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- (c) may seek independent external advice on matters brought before the Committee or in relation to the functions and responsibilities of the Committee; and
- (d) shall have the power to conduct or authorise investigations into any matters within the Committee's scope of responsibilities or when requested by the Board.

5. Responsibilities

5.1 The Committee must promote an environment within the Company which is consistent with credible and objective financial reporting. In particular, the Committee must:

- (a) perform an independent review of financial information prepared by management for external reporting. This will include conducting reviews of the annual report, Directors' report, annual financial statements, half yearly financial statements and any other externally reported financial information required by law;
- (b) monitor the integrity and effectiveness of financial reporting processes;
- (c) review and assess the external audit arrangements and the results of the audit;
- (d) appoint, review and assess the internal audit arrangements, as applicable, and consider significant internal audit findings and management's responses and related actions;
- (e) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters
- (f) review and ensure implementation of recent professional and regulatory announcements; and
- (g) ensure that appropriate policies are established and adequate systems are in place to identify and disclose related-party transactions and assess the propriety of any related party transactions.

6. Internal Audit Function

6.1 The Committee shall report to the Board on the internal audit function (if applicable) including:

- (a) monitoring the need for a formal internal audit function and its scope;
- (b) assessing the independence, performance and objectivity of any internal audit procedures that may be in place;
- (c) reviewing risk management and internal compliance procedures;
- (d) monitoring the quality of the accounting function;
- (e) provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation as to why those non-audit services do not compromise audit independence, in order for the Board

to be in a position to make the statements required by the Corporations Act 2001 (Cth) to be included in the Company's annual statement; and

- (f) reviewing the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

7. External Audit Arrangements

7.1 The Committee shall report to the Board on external audit arrangements, including:

- (a) making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the external audit firm and/or audit engagement partner;
- (b) review and approve the terms of engagement for the external auditor;
- (c) review of the fee payable in relation to audit and non-audit work;
- (d) review the scope and adequacy of the external audit with the external auditor including identified risk areas;
- (e) monitor the independence and performance of the external audit including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;
- (f) review and assess non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;
- (g) review and monitor management's responsiveness to the external audit findings; and
- (h) on a periodic basis, meet with the external auditor without the presence of management.

8. Appointment of External Auditor

8.1 Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

8.2 The Committee and the Board will consider the appointment in conjunction with Senior Management.

9. Risk Management

9.1 oversee the Company's Risk Management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;

9.2 review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures;

9.3 review and report to the Board that the Committee has, at least annually, reviewed the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of current, emerging and potential risk such that the Company is operating with due regard to the risk appetite set by the Board;

9.4 make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;

9.5 monitor management's performance against the Company's risk framework for identifying, evaluating, managing, mitigating and reporting risks including whether the Company is operating within the Company's risk appetite set by the Board;

- 9.6 receive any reports from management that identify, evaluate, manage or mitigate material risks that may affect the Company's operations including any new and emerging sources of risk;
- 9.7 review and report to the Board that adequate policies and procedures have been designed and implemented to manage identified risks;
- 9.8 review and report to the Board that proper remedial action is undertaken to redress areas of weakness.
- 9.9 receive reports from internal audit in relation to its regular program of audits undertaken to test the adequacy of and compliance with prescribed policies for managing risk; and
- 9.10 receive reports from management concerning the extent and adequacy of the Company and its Subsidiary's annual insurance program, as well as recommend insured and un-insured risk parameters.
- 9.11 The following are intended to form part of the normal procedure for the Committee's audit responsibility:
- (a) evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
 - (b) evaluating the adequacy and effectiveness of the Group's financial and operational risk management controls systems by reviewing risk registers and reports from management and external auditors;
 - (c) evaluating the structure and adequacy of the Group's Business Continuity Plans;
 - (d) evaluating the adequacy and effectiveness of the Group's identification and management of economic, environmental and social sustainability risks and its disclosure of any material exposures to those risks;
 - (e) evaluating and making recommendations to the Board in relation to the structure and adequacy of the Group's own insurances on an annual basis;
 - (f) reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies and the risk appetite that is appropriate for the Company;
 - (g) reviewing and making recommendations to the Board in relation to the risk disclosures in the Company's operating and financial review in its annual report;
 - (h) overseeing the establishment and maintenance of processes so that there is:
 - (i) an adequate system of internal control, management of business risks and safeguard of assets; and
 - (j) a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;
 - (k) evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance and making recommendations to the Board in relation to any incident involving fraud or other break down of the Company's internal controls;
 - (l) review the Group's main corporate governance practices for completeness and accuracy;
 - (m) review the procedures the Company has in place so that there is compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices and the environment);
 - (n) reviewing the procedures in place so that there is compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, the Corporations Act and AASB requirements);

- (o) advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal framework;
 - (p) reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards; and
 - (q) reviewing and discussing with management and the internal and external auditors (if any) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.
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10. Rotation and Succession Planning

- 10.1 The Committee will discuss with the auditor the provisions the audit firm has in place for rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner be rotated at least every 5 years.
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11. Reliance on information or professional or expert advice

- 11.1 Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:
 - (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
 - (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.
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12. Management Sign-off Procedures

- 12.1 The Committee will ensure that the Managing Director (or Equivalent) and Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.
 - 12.2 The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.
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13. Administrative matters

- 13.1 The proceedings of the Committee will be conducted in accordance with the provisions set out in Annexure 1.
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14. Disclosure

- 14.1 The Board will make available on the Company's website:
 - (a) the Audit and Risk Committee Charter;
 - (b) the relevant qualifications and experience of the members of the Committee;
 - (c) at the end of each reporting period:

- (i) the number of times the Committee met throughout that year and the individual attendances of the members at those meetings; and
 - (ii) whether the Committee has undertaken a review of the Company's risk management framework as set out at clause 3.3 of this Charter.
- (d) In relation to any periodic reports the Company releases to the market the Board will ensure the processes are disclosed either in the report itself or more generally in the Company's corporate governance disclosures of its annual report or on the Company's website.
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15. Reviews

- 15.1 The Committee will review its performance on an annual basis.
 - 15.2 The Committee should review this charter and its composition annually. The Board should consider the Committee's charter and/or composition.
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16. Approved and Adopted

- 16.1 This Charter was approved and adopted by the Board on 16 May 2019 and last reviewed on 27 May 2021.

Annexure 1 – Administrative matters and procedure

1. Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet at least bi-annually.

2. Quorum

The quorum is at least 2 members present, either in person or by using technology.

3. Secretary

The secretary of the Committee is the Company Secretary.

4. Convening and notice of meeting

Any member, internal or external auditors, may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Company Secretary will distribute in advance of the meeting of the Committee the agenda and related papers to each of the Committee members or any other persons determined by the Committee.

5. Voting at meetings

The Committee should pursue collective decision-making and seek consensus where possible. The Committee Chair should test consensus and, if a unanimous view cannot be reached, decisions will be based on a majority view.

Each Committee member will have one vote. If any equal number of votes is cast for and against a resolution, the Committee Chair does not have a casting vote in addition to their vote as a Committee member and the resolution is not passed.

6. Independent advice

The Committee may seek the advice of the auditors, solicitors or other independent advisors, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee.

7. Minutes

Minutes of the meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be presented at the next relevant Board meeting.

All minutes of the Committee must be entered in a minute book maintained for the purpose and will be open at all times for inspection by any Director.

8. Reporting

It is intended that the Committee Chair will prepare a report of the actions of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Company. The report may include provision of meeting agendas, papers and minutes of the Committee.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.