

GENERAL

The Board of Directors has adopted the following terms of reference for the Audit & Risk Committee. The Committee has the authority to review, on behalf of the parent entity Board, matters arising in all entities in the economic entity.

OBJECTIVES

The objectives of the Committee will be:

- To assist the Board of Directors of each company in the Altura group of companies (Group) to discharge their responsibility for externally reporting financial information, ensuring financial integrity and credibility of that reporting.
- To ensure that management has in place a process to identify and manage business risks.
- To seek to improve the quality of financial reporting, control systems and corporate governance of the Group.
- To oversee internal and external audit functions.
- To monitor and ensure that Altura has established processes to comply with all applicable laws, regulations and company policies.

COMPOSITION

Eligibility and Appointment

The Committee will consist of at least three (3) non-executive directors. The Chairman of the Committee shall be an independent director of the company, who is not the Chairman of the Board. The Committee Secretary is the Company Secretary of Altura Mining Limited.

The Managing Director, the Executive Director and the Financial Controller are not eligible to be committee members although they may be invited to attend Committee meetings as appropriate.

The Board will appoint the members of the Committee, including the Committee Chairman. Membership of the Committee will be reviewed by the Board on an annual basis.

Role of the Committee Chairman

The Chairman will be responsible for:

- Planning and conducting meetings;
- Reporting the Committee's findings and recommendations to the Board after each Committee meeting; and
- Advising the Board in the selection of Committee members.

Committee Secretary

The Secretary shall be responsible for:

- Minutes of Committee meetings taken and distributed;

- Facilitating appropriate communications between the Committee and Board, including ensuring that the Board receive reports which keep them adequately informed of the Committee's activities; and
- Providing supporting documentation to the Board for Committee recommendations.

Meetings

A quorum of two (2) Committee members is required.

Meetings are to be held at least two (2) times per year. The Secretary will be required to give reasonable notice of a meeting. Other Directors and officers of the Group or external persons may be invited to attend Committee meetings. The Chairman will call a meeting of the Committee if so requested by any Committee member, a Director or the auditors.

The Committee can invite internal and external auditors (and any other external consultants) to attend all or part of a meeting as it considers appropriate. The Committee reserves the right to meet with auditors and external advisers without management being present.

FUNCTION AND RESPONSIBILITY

Risk Management and Internal Control Environment

The Committee takes responsibility for:

- Monitoring corporate risk assessment and the internal controls instituted.
- Monitoring the establishment of an appropriate internal control framework, including information systems, and considering enhancements.
- Reviewing external audit programs/reports to ensure that where deficiencies in controls or procedures have been identified, appropriate remedial action is taken by management.
- Monitoring the systems in place to prevent, detect and investigate fraud.

The Committee shall ensure that there is an effective risk management system and that significant or material business risks are reported to the Board.

Financial Reporting

The Committee shall examine and consider any matters relating to the financial affairs of the Group and its external audit that it considers necessary, including:

- Reviewing financial statements and other financial information distributed externally.
- Monitoring the procedures in place to ensure compliance with accounting standards, Corporations Act and ASIC requirements, and any other statutory requirements applicable.

Compliance

In relation to its compliance functions, the Committee shall consider any matters relating to the ongoing compliance of Group activities, particularly in respect of the various applicable laws and legislation and the regulators responsible for them.

This includes, but is not limited to:

- Corporations Act and ASX Listing Requirements.
- Trade practices, occupational health and safety, mine safety, environmental and anti-discrimination legislation.
- Codes of conduct and other company policies such as securities trading, continuous disclosure requirements and anti-corruption.

Audit Function

The Committee shall be responsible for:

- Reviewing the nomination, performance and remuneration of the external auditors.
- Liaising with the external auditors and ensuring that the annual audits and half-year statutory reviews are conducted in an effective manner.
- Evaluating the need for an internal audit function.
- Assessing the independence of the external audit function.

The Committee shall review the scope of the external audit with the external auditor including the assessment of the identified risk areas and the proposed audit plan.

Other Matters

The Committee shall:

- Review and monitor the propriety of related-party transactions.
- Examine any other matters referred to it by any Board of the entities within the Group.
- Act honestly and exercise the degree of care and diligence expected of a reasonable person.

POWERS OF THE COMMITTEE

Access to Information

The Committee has the authority to seek any information it requires from any officer or employee of Altura and such officers or employees shall be instructed by the Board to respond to such enquiries.

Independent Advice

The Committee is authorised to take such independent professional advice as it considers necessary.

Communications with Auditor

The Committee has the authority to communicate with the appointed auditor and to seek any information or explanations that it requires.

Decision Making

Where any Committee member (or ex-officio management representative) has a contrary view to a Committee decision, that view is to be reported to the relevant Board.

Review of Charter

This Charter will be formally reviewed by the Committee each year. The Committee may make suggestions to the Board for changes to these terms. Only the Board has the power to change the Charter.