



---

## AUDIT AND RISK COMMITTEE CHARTER

The charter of the Committee is:

### 1. Establishment

It is the policy of Bardoc Gold Limited to have an Audit and Risk Committee of the Board at all times.

### 2. Purpose

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the external reporting of financial information, the internal control and operational risk management framework, the independence and effectiveness of audit and compliance with laws and regulations.

### 3. Authority

The Audit and Risk Committee has the authority to meet with appropriate personnel, obtain relevant records, and discuss matters with internal and external auditors, senior management and, where necessary, independent experts.

### 4. Responsibilities

The Audit and Risk Committee will:

#### External audit function

- Review and make recommendations to the Board as to the appointment of the external auditor including having regard to the independence of the auditor.
- Review the scope and outcome of external audits including the effectiveness and performance of the auditor.
- Provide for Committee members who wish to do so to meet with the external auditor without management being present.
- Ensure the auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

#### Financial management and reporting

- Review half-yearly and yearly financial reports with management and the external auditor and recommend to the Board whether the reports should be signed based on the Committee's assessment of them.
- Monitor and review the propriety of related party transactions.
- Review the quality and integrity of financial reporting to shareholders and regulatory bodies.
- Consider the appropriateness of significant accounting policies and principles and any changes to them.

- Monitor compliance with legal requirements for financial reporting.
- Assess significant estimates and judgements in the financial reports.
- Review the reporting of corporate governance practices (that are required by the ASX Listing Rules).
- Review written assurances provided by management to the Board in connection with financial reporting, including the assurances provided by the Chief Executive Officer and Chief Financial Officer in accordance with s295A of the Corporations Act.
- Ensure that management's written assurances are provided to the Board prior to the approval by the Board of the financial statements for the period.

#### Periodic Corporate Reporting

- The Committee is also responsible for the procedures for verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions. To achieve this the Board receives a declaration by the Chief Executive Officer and Chief Financial Officer that :-
  - a) the financial records of the group and company, for the quarter have been properly maintained in accordance with section 286 of the Corporations Act; and
  - b) the quarterly report complies with the accounting standards; and give a true and fair view of the cashflows of the entity; and
  - c) that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### Risk management system

- Oversee and make recommendations to the Board regarding the risk management system.
- Receive reports from management on current and emerging risks and the risk controls and mitigation measures that management has put in place to deal with those risks and effectiveness of the risk management system.
- Monitor compliance with risk management policies, processes and procedures and review instances of non-compliance.
- The Committee will review the risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

### **5. Attendance at Meetings**

The Audit and Risk Committee meeting will be conducted in accordance with the corporate governance guidelines approved by the Board on an annual basis.

The policy of the Board is that the Committee should be comprised of at least two directors, all of whom have familiarity with financial and risk management and be financial literate. The chairman should not be the Chairman of the Board. The Managing Director or Chief Executive Officer attends meetings by invitation. The Committee is scheduled to meet on a bi-annual basis.

**6. Selection of External Auditor and Rotation of Audit Partners**

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company. The external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

The Committee will review this Charter annually to ensure it is consistent with the Committee's authority, role and responsibilities. Any proposed amendments to this Charter arising from a review will be put to the Board for consideration