

**BUILDING A SIGNIFICANT
CRITICAL MINERALS
BUSINESS**

AUDIT & RISK COMMITTEE CHARTER



STRANDLINE
resources limited

ABN 32 090 603 642

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| Designation: | Board Committee |
| Reports to: | Board |
| Membership: | Not less than 2 Directors, at least one of whom must be an independent non-executive director, as appointed by the Board. It may invite other Directors to attend meetings. |
| Overall purpose: | <p>To assist the Board of Directors to fulfil its duties, the Audit Committee shall monitor:</p> <ul style="list-style-type: none">• auditor appointments and effectiveness;• significant accounting and reporting matters;• internal control systems and internal audits;• ethical codes and fraud control; and• risk management and compliance frameworks. |
| Chairman: | As appointed by the Board. |
| Chairman's role: | <p>The Chairman of the Audit Committee shall be independent (ie have no material relationships with the Company other than Board and Committee roles).</p> <p>The Audit Committee Chairman shall:</p> <ul style="list-style-type: none">• oversee planning and conduct of Audit Committee meetings including approval of the agenda and minutes;• oversee reporting and verbal presentations to the Board from the Audit Committee; and• be involved in selection of Audit Committee members as appropriate. |
| Member requirements: | <p>All members will be non-executive Directors.</p> <p>All members will be financially literate and at least one member will have accounting or related financial expertise.</p> |
| Meeting arrangements: | <p>Frequency: The Audit Committee shall meet at least twice a year. Additional meetings may be held if requested by the Chairman.</p> <p>Attendees: Quorum – 2 members Relevant management and the external and internal auditors usually attend Audit Committee meetings by invitation.</p> |

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| Secretarial: | Company Secretary |
| Authority & powers: | <ul style="list-style-type: none"> • To obtain information from, and access to, management. • To consult directly with external auditors and advisors. • To meet independently of management, internal or external auditors, if required. • To obtain independent advice as appropriate. |
| Limitations: | Decision making powers are retained by the Board. |
| Responsibilities relative to management: | The Committee will specify the support it requires from management to carry out its responsibilities. |
| Reporting mechanism to Board: | The Chairman of the Audit Committee will report and as appropriate make recommendations to the Board after each meeting of the Committee on matters dealt with by the Committee. |
| Review processes: | <p>The Charter, composition and annual agenda for the Audit Committee will be reviewed at least annually. Any changes to this Charter will require approval of the Board.</p> <p>The Board will review the effectiveness of the Audit Committee as appropriate.</p> |
| Responsibilities : | <p>1 At least annually, review auditor appointments and effectiveness:</p> <ul style="list-style-type: none"> • Recommend to the Board of Directors the appointment of the external auditor, any change in such appointment and the fee payable to the external auditor. • Evaluate independence of the external auditor including the extent of provision of non-audit services by the external auditor. • Review the quality of the external audit function and benchmark the cost of auditing functions. • Provide to the Board a direct line of communication to the external auditor. <p>2 Accounting and reporting:</p> <p>Assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices by:</p> <ul style="list-style-type: none"> • reviewing significant accounting policies adopted within the Group to ensure compliance with Australian Accounting Standards and generally accepted accounting principles; • monitoring the effectiveness of the accounting and internal control systems and reporting; |

- reviewing and discussing the scope and results of the work of the external auditor;
- considering financial matters relevant to half and full year Financial reporting in a timely manner;
- reviewing half year and full year Financial Statements and making the necessary recommendations to the Board;
- ensuring that there are no unresolved issues between management and the external auditors; and
- reviewing other financial information distributed externally as required.

3 Ethics:

- Review the Company's controls to ensure they support ethical operations including Codes and Conduct statements.
- Review any reported instances of non-compliance with the Company's Health and Safety, Environmental, Risk Management and Administration Policies.

4 Risk management:

- Review the adequacy and effectiveness of the Company's risk management framework.
- Assist the Board with regards to oversight of the Company's risk management by gaining assurance that all major identified risks are being adequately managed.

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| Approved by: | Board of Directors | Review Date: | 22 September 2021 |
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