



Audit and Risk Committee Charter

1. Purpose

- 1.1 The primary function of the Audit and Risk Committee (Committee) is to assist the Board to carry out the following:
- (a) review and monitor the integrity of the Minemakers Group's financial reports and statements;
 - (b) review and make recommendations regarding the adequacy and integrity of the Minemakers Group's enterprise risk management framework and system of internal control;
 - (c) review whether the Minemakers Group is in compliance with relevant laws and regulations; and
 - (d) monitor the performance and independence of the external auditor.
- 1.2 The Committee is responsible for considering the risk management processes, internal controls and compliance systems within the Minemakers Group.
- 1.3 In relation to financial statements, the Committee is responsible for reviewing the consolidated accounts of Minemakers Limited. The Committee relies on management attestation and external audit review in considering the financial statements of the Minemakers Group.

2. Membership

- 2.1 Members, including the Chair, of the Committee are appointed by the Board.
- 2.2 The Committee will consist of at least 3 members who are non-executive directors. The majority of members must be independent non-executive directors of the Board. The Chair of the Committee must not be the Chair of the Board and must be independent.
- 2.3 The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.

3. Responsibilities

- 3.1 Financial Reporting
- (a) Review half-yearly and yearly financial reports and statements with management and the external auditor.
 - (b) Review and make recommendations to the Board regarding significant financial, accounting and reporting issues.
 - (c) Receive representation letters from the CEO and CFO.

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3.2 External Audit

- (a) Annually consider the appointment of the external auditor, including whether an audit tender process is required. Any subsequent recommendation on the appointment of the external auditor is to be put to the Board. If a change is approved then it is to be put to shareholders for their approval.
- (b) Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
- (c) Consider and review the scope of work, reports and activities of the external auditor.
- (d) Review the findings of the audit with the external auditor.
- (e) Establish and review policies as appropriate in relation to the independence of the external auditor.
- (f) Assess the independence of the external auditor based upon information received from the external auditors and management and in doing so consider:
 - i. the Minemakers Group policy prohibiting the employment of former employees of the external auditor and monitoring the implementation of this policy;
 - ii. policies on the supply of non-audit services by the external auditor;
 - iii. the fees for audit and non-audit services provided by the external auditor on a regular basis;
 - iv. the rotation of audit partners; and
 - v. the external auditor's own statement on independence.
- (g) Review the performance of the external auditors taking account of the opinion of management.

3.3 Risk Management and Internal Control

Review the Minemakers Group enterprise risk framework for identifying, monitoring and managing significant business risks.

3.4 Insurance Program

Review the Minemakers Group's insurance program at least annually having regard to the Group's business and insurable risks associated with the Group's business.

3.5 Compliance

- (a) Review the Minemakers Group's compliance framework for identifying, monitoring and managing compliance with relevant laws and regulations.
- (b) Obtain regular updates from management regarding the Group's compliance with significant statutory requirements.
- (c) Consider the findings of any examinations by regulatory bodies.

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4. Authority and Reporting

- 4.1 The Committee reports to the Board.
- 4.2 The external auditor reports to the Committee and the Board.
- 4.3 The Committee has authority to:
 - (a) investigate any activity within its Charter and any matters specifically requested by the Board;
 - (b) resolve any disagreements between the management and the external auditor regarding financial reporting;
 - (c) delegate authority to subcommittees; and
 - (d) obtain outside legal or independent professional advice as necessary for the Committee to carry out its responsibilities.
- 4.4 The Committee shall consider at each meeting whether any significant matters should be brought to the attention of the Board. The Committee will endeavour to raise these matters in a form and timeframe that assists the board to discharge its duties effectively. The Committee minutes and an update from the Committee Chair is to be provided at the following Board meeting.

5. Access

The Committee has unrestricted access to all records and staff of the Minemakers Group and the external auditor.

6. Meetings and Attendance

- 6.1 The Committee will meet at least twice each year and the schedule of meetings will be agreed in advance.
- 6.2 Additional meetings may be convened as required or as requested by the Chair of the Committee or the Board.
- 6.3 The Committee Chair will call a meeting of the Committee if so requested by any member of the Committee, the external auditor or the Chair of the Board.
- 6.4 A quorum for a meeting of the Committee shall be any 2 members.
- 6.5 Should the Chair be absent from the meeting, the members of the Committee present at the meeting have authority to choose one of their number to chair that particular meeting.
- 6.6 Attendance by members at Committee meetings will be disclosed in the annual report.
- 6.7 As necessary or desirable, the Chair of the Committee may invite persons from management, representatives from the external auditor and/or other external advisors to be present at meetings of the Committee. Board members may attend any meeting of the Committee.

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- 6.8 The external audit engagement partner attends all meetings of the Committee. At least once yearly the Committee will meet with the external auditor without management present.
- 6.9 The agenda and supporting papers will be delivered to Committee members in advance of any meeting.
- 6.10 Proceedings of all meetings of the Committee will be minuted by the Secretary, approved by the Committee and signed by the Chair of the meeting. Minutes of Committee meetings will be tabled at Board meetings.

7. Review of Charter

- 7.1 The Charter is to be reviewed periodically to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- 7.2 All amendments to the Charter are to be approved by the Board.

Approved by the Board on 20 January 2010.