Charter

Audit Committee Charter

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1. INTRODUCTION

The Board of Saturn Metals Limited has established a committee of the Board of Directors to be known as the Audit Committee (Committee).

This Charter sets out the role, composition and responsibilities of the Committee.

2. ROLE OF THE COMMITTEE

The Committee's primary role is to assist the Board in discharging its responsibilities in overseeing the Company's financial risk management systems and internal controls, information technology (IT) and cybersecurity risk, financial reporting and external accounting and compliance procedures.

3. COMPOSITION OF THE COMMITTEE

The Committee is appointed by the Board and consists of non-executive directors, and the Chairman of the Committee shall not also be the Chairman of the Board. All members of the Committee should be financially literate. The Company Secretary acts as secretary to the Committee.

The term of members appointed to serve on the Committee, is until the earliest date on which the member is replaced by the Board, resigns from the Committee or ceases to be a director of the Company.

The composition of the Committee and details of the number of meetings held and attended by each member of the Committee, shall be published in the Company's Annual Financial Report.

The Board may review the composition of the Committee from time to time to ensure its structure is effective and appropriate for the needs of the Company.

Members of the Committee are entitled to rights of access to, and information held by, management and also to access the external auditor without management being present.

As Directors of the Company, Members of the Committee are entitled to take such legal advice as they may require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as Directors in relation to the affairs of the Company. Such advice shall be at the expense of the Company.

Members of the Committee are encouraged to attend relevant courses, conferences, seminars and briefings by external advisors. A field trip may be undertaken from time to time to enable Members of the Committee to inspect assets and activities of the Company.

4. RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for:

- Monitoring and reviewing the integrity of the financial reporting of the Company, reviewing significant financial reporting judgements and assessing the overall financial position of the Company;
- Reviewing the Company's internal financial control system and ensuring internal policies are being adhered to;
- Monitoring, reviewing and overseeing the scope of the external audit and the performance of the external auditor;
- Reviewing the policies and procedures in place to ensure compliance with relevant regulatory requirements relating to the financial reporting obligations of the Company;

- Monitoring and reviewing compliance with the Company's Code of Conduct and Whistleblower Policy;
- Ensuring that an appropriate insurance program is maintained;
- Monitoring, reviewing and overseeing the Company's IT systems (e.g. processes, policies, controls and procedures) to identify, assess and manage risks and threats related to cybersecurity and while ensuring compliance with legal and regulatory requirements; and
- Review any material incidents involving fraud or a breakdown of the entity's risk controls.

The Committee's detailed responsibilities are as follows.

4.1 Financial Reporting

- Reviewing, assessing and making recommendations to the Board on the annual and half year financial reports and other financial information or formal announcements published or released by the Company;
- Assessing and ensuring that any significant transactions and related party dealings are properly recognised, recorded and disclosed in the Company's financial reports;
- Reviewing and assessing any significant judgements made in the preparation of the annual and half year financial reports; and
- Obtaining and reviewing statements from the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) expressing opinions on whether the Company's financial records have been properly maintained and whether financial statements comply with accounting standards and present a true and fair view.

4.2 Internal Controls

- Overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and internal financial compliance systems;
- Reviewing compliance with any debt covenants or compliance obligations associated with debt;
- Reviewing the Company's delegation of authority matrix;
- Reviewing the Company's insurance framework and approving the annual insurance program;
- Review of compliance with specific policies as determined by the Committee including but not limited to Hedging, and
- Liaising and discussing any relevant issues with the CEO and CFO.

4.3 External Audit

- Assessing the scope of the annual audit and half year review, ensuring emphasis is placed on any areas requiring special attention;
- Liaising with and reviewing all reports of the external auditor including audit plans, reports, management letters and independence declarations;
- Reviewing performance and assessing independence of the external auditor having regard for the provision of any non-audit services and where necessary, making recommendations relating to audit fees, selection process, appointment, and removal of the Company's external auditor;

- Obtaining and reviewing statements confirming the external auditor's independence; and
- Reviewing and monitoring management's response to any significant external auditor findings and recommendations.

4.4 IT and Cybersecurity

- Reviewing the Company's IT systems and risks relating to IT, including the state of the Company's IT and cybersecurity, emerging cybersecurity developments and threats and the Company's strategy to manage IT and cybersecurity risks;
- Reviewing the Company's data protection practices to ensure compliance with security and privacy regulations;
- Overseeing the timing and process of the Company's periodic review and assessment of its IT systems, including the engagement of external parties to consider and audit the Company's cybersecurity program, controls and processes and the implementation of any remediation plans to address areas identified as needing improvement; and
- Liaising and discussing any relevant issues with the CEO, CFO and Group IT Consultant or Consultant, and reporting to the Board with respect to any significant cybersecurity incident, reports to or from regulatory authorities and remediation activities subsequently arising.

5. MEETINGS OF THE COMMITTEE

The Committee shall meet as circumstances require, and at least three times per annum and report to the Board through the Chairman. Any member of the Committee may call a meeting. Two Members of the Committee are required to form a quorum. The Managing Director (MD) in his capacity as the CEO of the Company, the CFO and external auditor may by invitation attend meetings at the discretion of the Committee. The external auditor shall at least be invited to attend meetings held to consider the annual and half year financial reports. The Committee shall meet at least annually with the external auditor without the presence of management, to discuss any issues arising out of the audit.

Proceedings of all Committee meetings shall be recorded in minutes. Draft minutes shall be circulated to Members of the Committee. Approved minutes shall be signed and dated by the Chairman and a copy circulated to the full Board before or at the following meeting of directors.

6. ROLE OF THE CHAIRMAN

The role of Chairman is non-executive and central to the effectiveness of the Committee and its contribution to the Board's overall responsibility for the Corporate Governance of the Company. The Chairman leads the Committee and its meetings and is instrumental in ensuring effective communications exist between the Committee and the Board of Directors, senior management and external auditor. The Chairman is also responsible for the following:

- Ensuring the Committee has appropriate procedures in place to evaluate the performance and effectiveness of the Committee as a whole and its individual Members;
- Ensuring that meetings of the Committee are conducted efficiently and effectively and that the quality of agendas and papers properly inform Members on matters before the Committee that facilitates effective review, analysis, discussion and decision making by Members of the Committee;

- Promoting high standards of integrity and ethics;
- Maintaining a close working relationship with the MD, senior management and external auditor so as to facilitate an effective flow of relevant and appropriate information to the Committee; and
- Ensuring that the Board is kept informed on all matters relating to the activities of the Committee and overseeing any communications concerning its activities with shareholders and other key stakeholders.