

Audit and Risk Committee Charter

**Bastion Minerals Limited ACN 147 948 883
As adopted by the Board on 25 January 2021**

1. Purpose of this Charter

The purpose of this Charter is to specify the authority delegated to the Audit and Risk Committee (**Committee**) by the board of directors (**Board**) of Bastion Minerals Limited ACN 147 948 883 and to set out the composition, roles, responsibilities and operation of the Committee.

2. Role of the Committee

The role of the Committee is to provide an objective, non-executive review of the effectiveness of the Company's financial reporting and risk management framework of the Company and its subsidiaries (together, the **Group**), and to assist the Board in carrying out its accounting, audit, risk management, regulatory compliance and financial reporting responsibilities, including oversight and review in respect of:

- (a) the integrity of the Group's external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Group's external auditors;
- (c) the overall policy direction of the audit, compliance and risk management functions;
- (d) systems to ensure effective management of financial and non-financial risks;
- (e) the Group's systems and procedures for compliance with relevant laws, regulations and codes;
- (f) the internal and external audit processes including review of the annual internal audit plan and monitoring of progress and internal audit reports; and
- (g) the Group's internal control framework.

3. Authority

The Committee is authorised by the Board to perform all activities within the scope of this Charter, including:

- (a) requesting reports to be prepared for review by the Committee;
- (b) seeking such information as it requires from any employee or external party, and securing the attendance of external parties with relevant experience, in order to carry out its responsibilities;
- (c) requesting the preparation and maintenance of policies and procedures;
- (d) obtaining external advice on matters relevant to the responsibilities of the Committee;
- (e) administering the process for the appointment and management of the external auditors; and
- (f) ensuring there are effective mechanisms for the reporting of risk, financial and internal control information by staff and external stakeholders to the Committee.

4. Composition of the Committee

4.1 Composition of the Committee

- (a) The Board is responsible for all appointments to the Committee, including the Chair of the Committee. No limit is to be set on duration of office except as decided by the Board.
- (b) The Committee will consist of at least three directors and must include a majority of independent directors.
- (c) Each member of the Committee must be financially literate and have sufficient financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors.

4.2 Chair of the Committee

The Chair of the Committee must be an independent director who is not the Chairperson of the Board. However, the Chairperson of the Board may sit on the Committee.

4.3 Secretary of the Committee

The Company Secretary will be the Secretary of the Committee.

5. Responsibilities of the Committee

5.1 External reporting

The Committee is responsible for:

- (a) overseeing the external reporting process;
- (b) reviewing the appropriateness of the accounting policies and the significant estimates and judgments adopted by management in the preparation of external reports;
- (c) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting;
- (d) reviewing the Group's main corporate governance practices as required by ASX Listing Rules, including those relating to continuous disclosure;
- (e) reviewing the representations made by management in relation to external reporting;
- (f) assessing information from internal and external auditors that affects the quality of external reports; and
- (g) making a recommendation to the Board in respect of whether the external reports should be approved.

5.2 Reporting from CFO

The Committee may, before it recommends that the Board approves the Company's external reports, require the receipt from its Chief Financial Officer (**CFO**) (or any entity providing the CFO function) a statement that provides assurance to the Board in accordance with legislative requirements and the ASX Corporate Governance Principles and Recommendations.

5.3 External auditor

The Committee is responsible for:

- (a) ensuring the adequacy, expertise and independence of the external auditor;
- (b) making recommendations to the Board on the appointment, tenure, remuneration and terms of engagement of the external auditor;
- (c) reviewing the external auditor's engagement and performance annually and being satisfied that the external auditor is adequate and independent, having regard to the relevant legislation and regulatory requirements;
- (d) ensuring there is unfettered access for the external auditor to raise matters directly with the Board or the Committee, including inviting the external auditor to attend Committee meetings to present the audit plan, discuss audit results and consider the implications of external audit findings;
- (e) ensuring that the external auditor attends the Company's annual general meetings and is available to answer questions from shareholders relevant to the audit;
- (f) reviewing regularly the scope of the external audit to ensure that it covers all material risks and financial reporting requirements;
- (g) monitoring management's response to the external auditor's findings and recommendations and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner;
- (h) meeting with the external auditor without management present at least annually; and
- (i) requiring that the lead external audit engagement partner normally be rotated every five years, or more frequently if the Committee considers it desirable to maintain the external auditor's independence.

5.4 Internal audit

The Committee is responsible for:

- (a) ensuring the adequacy, expertise, performance and independence of the internal audit function, and for overseeing management's processes for ensuring that internal audit is adequately resourced and skilled for the size and corporate complexity of the Group;
- (b) ensuring that there is unfettered access for the internal audit function to all business operations of the Group;
- (c) regularly reviewing and approving the internal audit plan and work program to ensure that it covers all material risks and financial reporting requirements;
- (d) satisfying itself that internal audit processes are clearly documented and subject to regular review; and
- (e) monitoring management's response to the internal audit findings and recommendations and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner.

5.5 Internal control and risk management

The Committee is responsible for:

- (a) assisting the Board in setting the risk management policy and appetite and monitoring whether the business is operating within that policy and appetite;
- (b) reviewing management's system of risk management and internal control at least annually to ascertain whether it continues to be sound and that the Group is operating with due regard to the risk appetite approved by the Board, including satisfying itself that the system of risk management and internal control deals adequately with contemporary and emerging risks;
- (c) reviewing the steps taken by management to monitor and manage all material risks consistent with the strategic objectives, risk appetite and policies approved by the Board;
- (d) ensuring that the Group's has in place appropriate systems and procedures to ensure compliance with all relevant laws, regulations, codes, standards and best practice guidelines;
- (e) reviewing management's whistleblower policies;
- (f) reviewing any material incident involving fraud or a break-down of the Company's system of risk management and internal control;
- (g) reviewing any material insurance matters including, as appropriate, insurance programs and deeds of indemnity, insurance and access;
- (h) considering reports concerning material risk events and incidents and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner; and
- (i) ensuring appropriate disclosures are made regarding any material exposure the Group has to economic, environmental and social sustainability risks.

6. Committee meetings and processes

6.1 Meetings

- (a) Meetings are to be held at least two times per year, with special meetings called as necessary on direction of the Board or the Chair of the Committee.
- (b) All Committee members and the Secretary should attend each meeting of the Committee. Should a member not be available to attend a meeting, they are to notify the Chair or Secretary of the Committee. A quorum of any meeting will comprise at least two Committee members.
- (c) The Secretary of the Committee will circulate an agenda and supporting papers in advance of each meeting and make other arrangements as directed to facilitate information being provided to the Committee.
- (d) Minutes will be taken at each meeting by the Secretary and circulated to the Board and the Committee and made available for review by the external auditors.
- (e) The Committee may, with the consent of the Chair, invite other people to attend meetings as required.

- (f) The constitution of the Company will, to the extent not inconsistent with the above paragraphs in this section 6.1, govern the regulation of Committee meetings and proceedings, including the procedure for passing circular resolutions outside of meetings.

6.2 **Reporting**

The Committee is to ensure the Board is regularly updated on the activities of the Committee and significant issues are brought to the Board's attention on a timely basis.

7. **Committee's performance evaluation**

The Committee will annually revisit its objectives and duties and evaluate the effectiveness of its performance.

8. **Review of this Charter**

The Charter is approved by the Board and will be reviewed by the Committee annually. This Charter may be amended by resolution of the Board.