



Audit and Risk Committee Charter

Aeris Resources

1. Overview

1.1. Role of the Committee

The role of the Audit and Risk Committee ("ARC" or "Committee") is to assist the Board of Aeris Resources Limited ("Board") and ("Aeris" or the "Company") to fulfill its oversight and monitoring responsibilities and review of Aeris' practices and governance in:

- a. The Company's accounting and financial reporting practices; and
- b. Risk Management and
- c. Compliance.

1.2. Relationship with the Board

There is no delegated decision-making authority to the Committee from the Board. The role of the Committee is to make recommendations and report (as the case may be as defined by this Charter) to the Board.

The Committee Chair must provide an oral report to the Board on the discussions and outcomes of any meeting of the Committee at the Board Meeting immediately following a Committee Meeting.

The Committee is also intended as an effective mechanism for the auditor to communicate in an informal and confidential way with the members of the Committee about audit and risk related issues and to broach sensitive issues in an uninhibited fashion.

1.3. Support for the Committee

Aeris will provide the Committee with resources and information, including access to management, to enable the Committee to undertake its duties. The Committee is able to obtain independent advice and institute investigations, at Aeris' cost, as it considers necessary or appropriate to fulfill its duties provided it has received the approval of Chairman (or Executive Chairman as the case may be).

The Committee has the authority to seek any information it requires from any officer, employee or contractor of the Company, who are instructed by the Board to respond to such inquiries.

The Committee has unrestricted access to the external auditors in order to fulfil its purpose and undertake its duties.

2. Membership and Meetings and Reporting

2.1. Membership

The Committee will comprise at least 3 non-executive directors appointed by the Board.

The majority of the Committee must be independent directors.

The Board will appoint the Chair of the Committee, who must not be the Chair of the Board.

2.2. Meetings

A quorum of the Committee will be comprised of 2 independent directors.

All matters will be decided by a majority of votes of members present. If the vote is evenly divided, then no decision can be made, and the matter will be referred to the Board.

The Committee will meet at least four times per year. Additional meetings may be held as the Committee (as a whole), or any member determines.

The Company's Company Secretary will be responsible for calling Committee Meetings and provide secretarial services to the Committee.

All Directors of Aeris have a standing invitation to attend the Committee Meetings and will be sent the Committee papers at the same time as they are distributed to the Committee Members.

All members of the Executive Team will have a standing invitation to attend meetings. All members of the Executive Team will receive all Committee Papers. Other attendees as invited.

2.3. Minutes

The Company Secretary will prepare minutes of all Committee Meetings.

Draft Minutes of Committee Meetings must be circulated as soon as practical to all Committee Members.

Final Minutes of Committee Meetings must be circulated to all Board members.

3. Responsibilities

The Committee is responsible for providing advice and making recommendations to the Board on the following matters:

3.1. Policies oversighted by the Committee

Relevant Company policies within the oversight of the Audit and Risk Committee are:

1. Risk Management Policy Statement;
2. Treasury Policy (to be developed);
3. Tax Risk Management Policy (to be developed);
4. Health and Safety Policy Statement;

5. Delegation of Authority;
6. Anti-Bribery and Corruption Policy;
7. Aeris Whistleblower Policy; and
8. Securities Trading Metals Resources Policy.

3.2. Financial reporting related responsibilities

The Committee will oversee, review and make recommendations to the Board regarding the Company's financial reporting policies and the adequacy and effectiveness of the policies to ensure effective financial reporting in accordance with applicable law and regulations.

The scope of the Committee responsibilities to oversight, review and make recommendations covers:

- a. the adequacy of the Company's accounting system and internal control environment;
- b. the adequacy of the Company's system for compliance with relevant laws, regulations, standards and codes as they related to the accounting and reporting function;
- c. the effectiveness of the Company's internal accounting controls;
- d. the identification of improvements that can or should be made to the Company's internal controls, policies and financial disclosures;
- e. the frequency and significance of all transactions with related parties and assesses their propriety;
- f. the integrity and quality of the Company's financial information including financial information provided to ASIC, ASX and shareholders; and
- g. the independence, objectivity, scope and quality of the external audit.

3.3. Audit Related Responsibilities

The Committee will oversee, review and make recommendations to the Board regarding the Company's financial reporting and disclosure process and the outputs of that process.

The scope of the committee responsibilities to oversight, review and make recommendations includes

External Reporting:

- a. Review and assess the appropriateness of the Company's accounting policies and principles.
- b. Review and assess any significant estimates and judgments in financial reports.
- c. Review and assess the processes used by management to monitor and ensure compliance with laws, regulations and other requirements relating to external reporting by the Company of financial information.
- d. Review and assess information from any internal auditor and the external auditors that may affect the quality of financial reports

- e. Based on the assessment by the Committee, recommend to the Board whether the financial and non-financial statements should be signed.

Auditor appointment:

- a. make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness, and independence, of the external auditor;
- b. review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of the Company;

Internal monitoring:

- a. Consider with management and the external auditors, the adequacy and effectiveness of accounting controls and financial controls.

3.4. Risk Related Responsibilities

The Committee will oversee, review and make recommendations to the Board regarding the Company's risk management framework and the adequacy and effectiveness of the risk management framework including that the risk management framework deals with contemporary and emerging risks relevant to the Company.

The scope of the Committee to oversight, review and make recommendations:

- a. Reviewing the Risk Management Policies and all reporting arising from those policies including without limitation review of the Enterprise Risk Register and the Site Material Risks Register;
- b. Reviewing and making recommendations to the Board on the Company's overall current and future risk appetite having regard to the Company's size, scale, complexity, scope of operations and capabilities, so as to develop a Risk Appetite Statement which can be recommended to the Board;
- c. Reviewing the Risk Appetite Statement annually to ensure its ongoing appropriateness;
- d. Reviewing compliance with the Risk Appetite Statement;
- e. Reviewing all Risk Management Policies as required by the terms of those policies to ensure currency and appropriateness;
- f. Monitoring and making recommendations regarding Management's effectiveness in managing key risks and internal controls including procedures for periodic and critical reporting of risks to the Board and Committee and to recommend actions where the Committee has such obligations in respect of any breaches.
- g. Assess the structure and adequacy of the Company's Business Continuity Plans and Disaster Recovery Plans

3.5. Compliance Management Responsibilities

The Committee will oversee, review and make recommendations to the Board regarding the Company's compliance framework and the adequacy and effectiveness of the framework including that the framework deals with contemporary and emerging issues relevant to the Company to ensure compliance with applicable law and regulation. Without limitation this will include:

- a. Reviewing the Compliance Policies and all reporting arising from those policies;
- b. Reviewing all Compliance Policies as required by the terms of those policies to ensure currency and appropriateness;
- c. Receive reports on the systems and processes implemented by the executive and operating within the business to ensure compliance with applicable law and regulation; any breaches of systems, processes, applicable law and regulation and consistent, with the Compliance Policy; and to recommend actions where the Committee has such obligations in respect of any breaches.

3.6. Relevant Considerations

In execution of its duties and matters which it considers, the Committee will have regard to the ASX Corporate Governance Principles and Recommendations and any guidance in relation to the matters for which the Committee has responsibility provided by the Australian Securities and Investment Committee (as those principles and guidance change from time to time).

3.7. Committee and Charter Review

The Committee will review its performance at least annually.

This Charter will be reviewed annually by the Committee. Any recommended changes must be made to the Board for its consideration and if it considers appropriate, approval.

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