P (08) 9322 6322
E reception@gbmex.com.au
A Level 9, 28 The Esplanade, Perth, WA, 6000
ABN 91 124 752 745

AUDIT AND RISK COMMITTEE CHARTER

Composition

The Audit and Risk Committee shall comprise the full Board of Directors until such time as the activities and/or size of the Company warrant the creation of a separate Committee comprising only some of the Directors.

Operation

The Audit and Risk Committee meets at least twice annually, to discuss the financial statements with management and the independent auditor prior to the finalisation of the annual and half yearly reports and to consider risk matters, with further meetings on an as required basis. At the discretion of the Chair, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings or parts of meetings.

Duties and responsibilities

Audit related

1) To monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments. This will include, but not be limited to, the following:
   - Assess the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate;
   - To review the half-year and annual financial statements before submission to the Board;
   - To review the external auditor's management letter and management's response;
   - Review any related party transactions;
   - To consider any other topics as defined by the Board
2) To review the Company's internal financial control systems;
3) Maintain open lines of communication between the Board, external auditors and the Company's compliance officers;
4) To consider the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
5) To monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements;
6) To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm

Risk related

1) To ensure the development of an appropriate risk management policy framework that will provide guidance to management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;
2) To define and periodically review risk management as it applies to the Company and clearly identify all the stakeholders;
3) To ensure that the committee clearly communicate the Company's risk management philosophy, policies and strategies to directors, senior executives, employees, contractors and other appropriate stakeholders;

4) To ensure that directors and senior executives establish a risk aware culture which reflects the Company's risk policies and philosophies;
5) To review methods of identifying broad areas of risk and set guidelines for business risk reviews; and
6) To consider capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authority.

The core components of the Company's risk profile include, but are not limited to, the following:

- Strategic risk
- Market risk
- Operational risk
- Exploration risk
- Tenure risk
- Assets risk
- Economic risk
- Regulatory risk
- Sustainability risk (environment, OH&S and community relations)

Authority of the Committee

The Committee has the authority to:

a) Obtain independent professional or other advice in the fulfilment of its duties at the Company's cost
and
b) Obtain such resources and information from the Company in the fulfilment of it's duties as it may reasonably require.

Review of Committee Performance

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