



Audit & Risk Management Committee Charter

Charter Number: C2.7

Purpose

- (a) The Audit & Risk Management Committee Charter (the Charter) sets out the role, responsibilities, composition, authority and membership requirements of the Committee.
- (b) The Charter is available on Metro Mining website at: <https://metromining.com.au/company/corporate-governance/>.

Committee Members

The Board has established an Audit and Risk Management Committee (the Committee). The Committee membership will ideally comprise:

- (a) Only non-executive Directors;
- (b) A majority of Independent Directors;
- (c) An Independent Chairperson who is not the Chairperson of the Board.

The Committee will be appointed by the Board and shall comprise of a minimum of three members. Where there are not three or more non-executive Directors of the Company, the Board may appoint other members to the Committee at the Board's discretion.

Each member of the Audit & Risk Management Committee is to be financially literate and at least one member of the Committee is to have accounting or related financial management experience.

The MD/CEO, CFO, Company Secretary and representatives of the external auditors will attend the Audit & Risk Management Committee meetings as required. However, the Committee may choose to exclude them from its discussions from time to time.

Role & Responsibilities of the Committee

The Committee is a committee of the Board. The Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to financial management, monitoring of financial performance and risk management of the Company by:

Audit and Financial Controls

- (a) monitoring that the quality of financial controls is appropriate for the business of the Company;
- (b) reviewing matters of significance affecting the financial welfare of the Company;
- (c) monitoring that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate;
- (d) monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
- (e) reviewing and making recommendations to the Board about whether the financial statements provide a true and fair view of the financial position and performance of the Company;
- (f) considering the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements;
- (g) reviewing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (h) monitoring corporate conduct and business ethics, including ongoing compliance with laws and regulations;
- (i) overseeing the relationship between the Company and its external auditors including:

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Employee Responsible: Company Secretary

Approved By: MMI Board



- a. the appointment, removal, effectiveness and remuneration of the external auditors;
- b. approval of the annual audit plan, including its scope and adequacy;
- c. monitoring the progress and relationships between external auditors and Management;
- d. monitoring and reporting to the Board on external auditor independence;
- e. the rotation of the audit engagement partner;
- f. approving all audit/non-audit services provided to the Company by the external auditor;
- g. meeting with the external auditors at least annually without Management present;
- (j) reviewing the scope and results of internal audits;
- (k) reviewing the delegations of authorities within the Company;
- (l) reviewing and overseeing compliance with whistleblower and anti-corruption policies.

Risk Management

- (a) monitoring 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;
- (b) reviewing the risk management framework on an annual basis;
- (c) receiving reports from Management on the Company's strategic risks together with strategies, processes and controls in order to oversee the effectiveness of them, including whether it is operating within the risk appetite set by the Board;
- (d) reviewing reports from Management on new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives in order to monitor them;
- (e) making recommendations to the Board in relation to changes to the Company's risk management framework;
- (f) undertaking deep dives on key strategic risks and areas of significant risk exposure to gain a deeper understanding of these risks;

- (g) overseeing the insurance program, including the coverage and limits of the insurance policies;
- (h) overseeing the tenement management program of activities to monitor whether tenements are being kept in good standing;
- (i) considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities.

Reporting

- (a) Proceedings of all meetings are minuted and signed by the Chairperson of the Committee. Minutes of Committee meetings are to be circulated to all Directors.
- (b) The Committee, through its Chairperson, reports to the Board at the earliest possible board meeting after each Committee meeting. The Chairperson will inform the Board about any matters that in the opinion of the Committee should be brought to the attention of the Board, including recommendations requiring the Board's approval and / or action.
- (c) At least annually the Committee will provide the Board with a review of the formal written Charter and an evaluation as to the extent to which the Committee has met the requirements of the Charter.
- (d) In addition, the Chairperson of the Committee must present a report to the Board (at the Board meeting at which the year-end financial statements are approved) summarising the Committee's activities during the year. The report must include:
 - a. a summary of the Committee's main authority;
 - b. biographical details of the Committee members, including expertise, appointment dates and terms of appointment;
 - c. details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member;
 - d. an explanation of any departures from Recommendations 4.1, 4.2, 4.3, 7.1, 7.2, 7.3 and 7.4 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th edition)*;
 - e. details of any change to the independent status of each member during the relevant period, if applicable; and



- f. details of any determination or recommendations made by the Committee in performing its functions.

Meetings & Attendance

- (a) The Committee will meet a minimum of four times each year.
- (b) A quorum for a meeting of the Committee will be two members.
- (c) The Chairperson of the Committee, in consultation with the CFO and the Company Secretary, will set the agenda of each meeting to ensure that the Committee discharges the duties and responsibilities set out in this Charter.
- (d) The Company Secretary will:
 - a. prepare an annual work plan which identifies and allocates to a planned meeting those items of business that the Committee considers is essential to the due performance of its role and discharge of its duties;
 - b. assist Management in the preparation of Committee papers;
 - c. distribute Committee papers to members of the Committee in advance of the meeting;
 - d. prepare minutes of each meeting for distribution to Committee members, other Directors and the Executive Leadership Team.
- (e) Other Directors (executive & non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed. If, in the opinion of the Committee, its investigation or discussion will be assisted by hearing from a Director, the Committee may invite that Director to address the Committee.
- (f) The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular, the Committee may meet with external advisors, any executive or other employee, and may do so with or without management present.

Authority

The Committee is a Committee of the Board and has no authority independent of the functions delegated to it. The functions of the Committee do not relieve the Board of any of its responsibilities.

Access

The Committee shall have unlimited access to the external and internal auditors, and to senior management of the Company and any subsidiary. The Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees shall co-operate fully in provision of such information.

The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.