
AUDIT COMMITTEE CHARTER

1. COMPOSITION

- 1.1 The Audit Committee must comprise at least two members.
- 1.2 Whilst the Company is working toward:
 - (a) all members of the Audit Committee being non-executive Directors;
 - (b) the majority of the members of the Audit Committee being independent Directors; and
 - (c) the Chairman of the Audit Committee not being the Chairman of the Board (and being independent),

it is noted that this composition is not currently reflected. As soon as practicable following listing on the ASX, the Board will seek to appoint two suitably qualified independent non-executive Directors and consider appointing both those independent non-executive Directors to the Audit Committee. The Board is committed to good corporate governance and will seek to achieve the Audit Committee composition requirements set out in the ASX Corporate Governance Principles and Recommendations other than that part of the recommendation that recommends an audit committee have at least three members, which the Company does not consider is appropriate at this stage due to the size and scale of the Company's current operations, the proposed composition of the Board and the desire to have only independent non-executive Directors appointed to the audit committee.

- 1.3 The Board will appoint the members of the Audit Committee. The Board may remove and replace members of the Audit Committee by resolution.
- 1.4 All members of the Audit Committee must be able to read and understand financial statements and at least some of the members should have an understanding of the industry in which the Company operates.
- 1.5 The Chairman of the Audit Committee shall have leadership experience and a strong finance, accounting or business background.
- 1.6 The external auditors, the other Directors, the Company Secretary and senior executives, may be invited to Audit Committee meetings at the discretion of the Audit Committee.
- 1.7 The Audit Committee should be given the necessary power and resources to meet this Charter. This will include rights of access to management, rights to seek explanations and additional information and access to auditors, internal and external, without management present.

2. PURPOSE

The purpose of the Audit Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.

3. DUTIES AND RESPONSIBILITIES

- 3.1 The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.
- 3.2 The Audit Committee will set aside sufficient time to discharge its functions to ensure the integrity of the financial statements of the Company and the independence of the external auditor.
- 3.3 The Audit Committee will review the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommend their approval or otherwise to the full Board.

3.4 The Audit Committee will each year review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.