



CRITICAL MINERALS GROUP

CORPORATE GOVERNANCE POLICY

CRITICAL MINERALS GROUP LIMITED ACN 652 994 726 ('COMPANY')

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Purpose of this Charter

This is the Charter of the Audit and Risk Management Committee established by the Board of the Company. This Charter governs the operations of the Audit and Risk Management Committee and sets out the Committee's purpose, composition, scope and responsibilities, powers, procedures for the selection of auditors, audit planning and rules regarding its proceedings.

Purpose of Audit and Risk Management Committee

The Audit and Risk Management Committee's role is to:

- (a) assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, the internal and external audit process, and the process for monitoring compliance with laws and regulations and the code of conduct;
- (b) assist the Board with the adoption and application of appropriate ethical standards and management of the Company and the conduct of its business;
- (c) assist the Board in exercising of due care, diligence and skill in relation to risk assessment, risk management strategies and monitoring as well as reviewing the adequacy of the Company's insurance policies and self-insured risks; and
- (d) review related party transactions.

Composition

Subject to the paragraph below, the Audit and Risk Management Committee will be of sufficient size, independence and technical expertise to discharge its role and in any event it must have at least three members.

Due to the early stage of development and small size of the Company, while the Audit and Risk Management Committee will strive to consist of a majority of independent Directors, the Board may consider that:

- (a) the composition of the Audit and Risk Management Committee may consist of less than a majority of independent Directors provided that the composition of the Audit and Risk Management Committee adequately
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allows for objective and unbiased judgement and that the Chair of the Audit and Risk Management Committee is independent; or

- (b) the Audit and Risk Management Committee will be undertaken by the full Board.

The Audit and Risk Management Committee will have a secretary which will be the Company Secretary or such other person as nominated by the Board from time to time.

Scope of responsibility

The Audit and Risk Management Committee is responsible for:

- (a) establishing an appropriate internal control framework, including information systems, and its operation and considering enhancements;
 - (b) assessing corporate risk and compliance with internal controls;
 - (c) overseeing business continuity planning and risk mitigation arrangements;
 - (d) assessing the objectivity and performance of the internal audit function and considering enhancements;
 - (e) reviewing reports on any material misappropriation, frauds and thefts from the Company;
 - (f) reviewing reports on the adequacy of insurance coverage;
 - (g) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Company Secretary in relation to those requirements;
 - (h) reviewing the Company's risk management framework at least once annually to satisfy the Audit and Risk Management Committee that it continues to be sound and that the Company is operating within the risk appetite set by the Board;
 - (i) reviewing material transactions which are not a normal part of the Company's business;
 - (j) reviewing the nomination, performance and independence of the external auditors, including recommendations for the appointment or removal of any external auditor;
 - (k) liaising with the external auditors and monitoring the conduct of the annual audit;
 - (l) reviewing management processes supporting external reporting;
 - (m) reviewing financial statements and other financial information distributed externally;
 - (n) preparing the Corporate Governance Statement for inclusion in the annual report or any other public document;
 - (o) reviewing external audit reports and monitoring where major deficiencies or breakdowns in controls or procedures have been identified or remedial action has been taken by management;
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- (p) recommending the appointment or removal of the external auditor;
 - (q) reviewing the independence and performance of the external auditor;
 - (r) considering the adequacy of the Company's corporate reporting processes;
 - (s) reviewing and monitoring compliance with the Code of Conduct;
 - (t) reviewing and monitoring related party transactions and investments involving the Company and its Directors including maintaining a register of related party contracts which is reviewed annually;
 - (u) regularly undertaking reviews of risk management procedures to ensure the CEO and CFO are reasonably able to state that their declarations required under s295A of the Corporations Act relating to financial statements and reports of the Company are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects, in relation to the financial reporting risks; and
 - (v) making recommendations to the Board in relation to the items referred to in (a) to (t) above.
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Powers

The Audit and Risk Management Committee has unrestricted access to management and to internal audit personnel as well as to the external auditors (with or without management present) to carry out its function. In addition, the Audit and Risk Management Committee may seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.

Selection of auditors

External auditors are selected according to the criteria determined by the Audit and Risk Management Committee from time to time which include:

- (a) the lack of any current or past relationship with the Company or with any Senior Executive that could impair, or risk impairing, the independent external view they are required to take in relation to the Company and the Group;
- (b) the external auditor's general reputation for independence, probity and professional standing within the business community; and
- (c) the external auditor's knowledge of the industry in which the Company and the Group operate.

Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company and the Group

Audit planning

The Audit and Risk Management Committee reviews the performance of the external auditors throughout the year.

During each year, the Audit and Risk Management Committee should meet with the external auditor to:

- (a) discuss the external audit plan;
- (b) discuss any potential significant problems;
- (c) discuss the impact of proposed changes in accounting policies on the financial statements;
- (d) review the nature and impact of any changes in accounting policies adopted by the Group during the year; and
- (e) review the proposed audit fees.

Before the announcement of the Company's results, the Audit and Risk Management Committee should meet with the external auditor to:

- (i) review the pro-forma half-yearly and pro-forma preliminary final report before lodgement of those documents and consider any significant adjustments required as a result of the audit;
- (ii) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
- (iii) review the draft financial report and the audit report.

Proceedings

Meetings of the Audit and Risk Management Committee are held at least three times during each year and more often as required in order to fulfil its role.

The external auditor, the Managing Director/CEO and the CFO should be invited to attend meetings, or specific parts of meetings, at the discretion of the Audit and Risk Management Committee.

Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.

The quorum for a meeting of the Audit and Risk Management Committee is any two members.

The Company Secretary has responsibility for coordinating the completion and despatch of the Audit and Risk Management Committee agenda and briefing materials, as well as drafting minutes of meetings of each Audit and Risk Management Committee for approval at the next meeting.

Sub-Committees

The Audit and Risk Management Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.

The provisions of this Charter apply in relation to any sub-committee of the Audit and Risk Management Committee.

Required disclosures

The Audit and Risk Management Committee, in conjunction with the Board, is responsible for ensure the following is disclosed:

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- (a) this Charter;
 - (b) the relevant qualifications and experience of the members of the committee; and
 - (c) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members of those meetings.
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Review

The Audit and Risk Management Committee must review this Charter annually. Any amendments to this Charter must be approved by the Board.

External reviews of this Charter may be undertaken at the request of the Board.

Miscellaneous

Publication on ASX and Company website

A copy of this document (or a summary of it) may be made available on the Company's website and to ASX to the extent necessary.

Endorsement

The Company is committed to this Charter and its implementation.

This Charter was adopted by the Board on 14 October 2021 (and as further amended on 11 July 2023).

Definitions

In this Charter:

Board means the board of the Company.

CEO means the chief executive officer or equivalent officer (by whatever title known) of the Company.

CFO means the chief financial officer or equivalent officer (by whatever title known) of the Company.

Chair means the Director of the Company appointed as the chair of the Audit and Risk Management Committee from time to time.

Code of Conduct means the code of conduct of the Company.

Company means Critical Minerals Group Limited ACN 652 994 726.

Company Secretary means the person appointed company secretary of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Group means the Company and its controlled entities.

Managing Director means the managing director (or if there is no managing director, the CEO) or equivalent officer (by whatever title known) of the Company.

Senior Executives means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company, and its financial performance.
