

AUDIT AND RISK COMMITTEE CHARTER

1. INTRODUCTION

- (a) The audit and risk committee (the "**Committee**") is a committee of the board of directors of the Company (the "**Board**").
- (b) The Committee's purpose is to assist the Board in fulfilling its obligations and responsibilities relating to financial reporting, internal controls, risk management, corporate governance and the internal and external audit processes.
- (c) In this Charter, a reference to the "**Company**" means Emerald Resources NL and the entities that it controls from time to time.

2. COMPOSITION

- (a) The Committee shall consist of not less than three non-executive members of the Board, the majority of whom shall be independent.
- (b) The members shall satisfy the financial literacy requirements of applicable regulatory requirements. Members of the Committee shall be selected by the Board and any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director of the Company.
- (c) Rotation of members, if required by the Committee, shall normally be limited to one per year. The decision as to which member to rotate, when appropriate, will be made by the Board. The Board shall review Committee membership on an annual basis and at other times as the Board may deem appropriate.
- (d) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

3. RESPONSIBILITIES OF THE COMMITTEE

While the Committee has the responsibilities and powers set forth in this Charter, the role of the Committee is oversight of management. Accordingly, the responsibilities of the Committee are to assist the Board by overseeing:

- (a) reporting of financial information to users of financial reports;
- (b) systems of internal controls;
- (c) risk management systems and the management of material business risks (including technical, non-technical, financial, non-financial, social, and environmental risks);
- (d) application of accounting policies and improving financial management;
- (e) the internal and external audit process; compliance with applicable laws, regulations, standards and relevant best practice guidelines;

- (f) maintenance of the effective relationships with the external audit functions and being a forum for communication between the Board and the external auditor;
- (g) maintenance of the quality of internal and external reporting of financial information; and
- (h) maintenance of the credibility and objectivity of the accounting process (including financial reporting).

4. MEETINGS

- (a) The Committee shall have a chair appointed by the Board (the "**Chair**"), who shall not be the chair of the Board. The Chair shall have the duties and responsibilities set out SCHEDULE A hereto.
- (b) The Committee shall meet at least twice annually, with meetings designed to coincide with the Company's reporting of its half-year and annual results. The Committee shall hold additional Committee meetings as and when the Committee may otherwise deem appropriate.
- (c) Committee meetings may be held in-person, through online meeting platforms, by telephone or as the Committee may otherwise deem fit. The time at which, and the place where meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided by the Company's Constitution or by the Board.
- (d) No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present. Two committee members shall constitute a quorum.
- (e) Each Committee member will have one vote and decisions are made by majority vote. The Chair does not have a casting vote where there is a tied vote. If a tied vote occurs, the motion will lapse.
- (f) The secretary of the Committee (the "**Secretary**") will be the company secretary or any other person appointed by the Board. Minutes of the Committee meetings shall be maintained by the Secretary who shall ensure that they are kept in a secure environment.
- (g) The Committee may invite such other people to attend its meetings as it deems necessary.

5. AUTHORITY OF THE COMMITTEE

- (a) To ensure the Committee can discharge its responsibilities efficiently and effectively, it is authorised by the Board to:
 - (i) Investigate any activity within its terms of reference.
 - (ii) Seek any information it requires from any employee and require all employees to co-operate with any relevant request made by the Committee.
 - (iii) Engage independent counsel and other advisors as it determines necessary to carry out its duties, set and pay the compensation for any advisors employed by the Committee, the cost of which shall be borne by the Company.
 - (iv) Communicate directly with the internal and external auditors.

6. SPECIFIC RESPONSIBILITIES

In carrying out its oversight responsibilities, the Committee will:

Accounting and Financial Reporting

- (a) Review the Company's annual and interim financial statements prior to public disclosure.
- (b) Review and approve earnings press releases before the Company's public disclosure.
- (c) Review, with reasonable frequency, the adequacy of the Company's accounting and financial reporting controls (including the procedures for the review of the Company's public disclosure financial information extracted or derived from the Company's financial statements).
- (d) Reviewing any periodic corporate reports including annual directors' reports, quarterly activity reports, quarterly cashflow reports and sustainability reports to ensure that the reports are:
 - (i) balanced;
 - (ii) materially accurate; and
 - (iii) provide investors with appropriate information to make informed investment decisions, before submission to the Board, recommending their approval.

Risk Management

- (a) Ensuring the development of an appropriate risk management policy framework that provides guidance to management in implementing appropriate risk management practices throughout the Company's operations, practices and systems.
- (b) Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.
- (c) Ensuring that Management clearly communicates the Company's risk management philosophies, policies and strategies to directors, employees, contractors and other appropriate stakeholders.
- (d) Ensuring that directors and senior executives establish a risk-aware culture which reflects the Company's risk policies and philosophies.
- (e) Assisting management to determine whether it has any material exposure to environmental and/or social risks (as those terms are defined in the ASX Corporate Governance Council's Principles and Recommendations) and, if it does, how it manages, or intends to manage those risks.
- (f) Reviewing methods of identifying broad areas of risk reviews.
- (g) Reviewing and analysing the Risk Matrix and Risk Register prepared by management.
- (h) Considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authority.

- (i) Monitor management’s performance against the risk management framework, including whether Management is operating with the risk appetite set by the Board.
- (j) Review any material incident involving fraud or a break-down of risk controls.
- (k) Receive reports from management or internal audit (where applicable) on its reviews of the adequacy of the processes for managing risk.
- (l) Receive reports from management on new and emerging sources of risk and the controls and mitigation measures that Management has put in place to deal with those risks.
- (m) Make recommendations to the Board in relation to changes to be made to the risk management framework or to the risk appetite set by the Board.
- (n) Review whether the insurance maintained by the Company is adequate.
- (o) Review, with reasonable frequency, whether the Company’s whistleblower program and the compliance and anti-bribery and corruption systems and processes for managing compliance and anti-bribery and corruption risks are appropriate and effective.

External and Internal Audit

- (a) Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company and the compensation to be paid to the external auditor.
- (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) Ensure that the external auditor is “independent” (within the meaning of applicable law) and that the external auditor reports directly to the Committee and that:
 - (i) all non-audit services are pre-approved and provided to the Company or its subsidiaries by the external auditor (the Committee may delegate authority to pre-approve non-audit services to one or more members of the Committee, however, pre-approval of any non-audit services must be presented by any member to whom authority has been delegated to the full Committee at its first scheduled meeting after such approval); or
 - (ii) adopt specific policies and procedures for the engagement of non-audit services, provided that:
 - the policies and procedures are detailed as to the particular service;
 - the Committee is informed of each non-audit service; and
 - the procedures do not include delegation of the Committee’s responsibilities to Management.
 - (iii) Have the right to obtain information, interview management and internal and external auditors (with or without management present) and seek advice from external consultants or specialists where the committee considers that necessary or appropriate.

- (iv) Oversee the hiring of former employees of the external auditor in senior financial positions with the Company and assess whether this impairs or appears to impair the external auditor’s judgement or independence in respect of the Company.
- (v) Oversee the work of the Company’s internal auditor (where applicable).
- (vi) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Make regular reports to the Board concerning its activities.

7. APPROVAL AND REVIEW

This Charter is to be reviewed as needed to ensure that it meets best practice standards, taking into account the size and activities of the Company and the needs of the Company and the Board.

The Committee will review this Charter annually to assess the adequacy, effectiveness and relevance to the Company’s needs and recommend any changes to the Board for review and approval.

REV NO.	PREPARED/ UPDATED BY	REVIEWED	APPROVED	DATE	NEXT REVIEW
1.0	Company Secretary	Audit & Risk Committee	Board	28 February 2024	28 February 2025

SCHEDULE A

In addition to the duties and responsibilities set out in the Charter of the Audit and Risk Committee, the Chair of the Audit and Risk Committee has the duties and responsibilities described below:

- (a) Provide overall leadership to facilitate the effective functioning of the Committee, including:
 - (i) overseeing the structure, composition, membership and activities delegated to the Committee;
 - (ii) chairing every meeting of the Committee and encouraging free and open discussion at meetings of the Committee;
 - (iii) scheduling and setting the agenda for Committee meetings with input from other Committee members, the chair of the Board and management as appropriate;
 - (iv) facilitating the timely, accurate and proper flow of information to and from the Committee;
 - (v) arranging for management, internal and external auditors and others to attend and present at Committee meetings as appropriate;
 - (vi) arranging sufficient time during Committee meetings to fully discuss agenda items;
 - (vii) encouraging Committee members to ask questions and express viewpoints during meetings; and
 - (viii) taking all other reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
- (b) Foster ethical and responsible decision making by the Committee and its individual members.
- (c) Encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the independent auditors.
- (d) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (e) Carry out other such duties as may reasonably be requested by the Board.