

1. AUDIT AND RISK COMMITTEE CHARTER

The Audit and Risk Committee ('Committee') is a committee that assists and advises the Board of Wiluna Mining Corporation Limited ABN 18 119 887 606 (**Wiluna Mining or the Company**), in the effective discharge of its responsibilities in the areas of statutory reporting, internal control systems, risk management systems, insurance and legal proceedings and the external audit function.

The committee does not relieve any directors of their responsibilities for these matters.

This Charter should be read in conjunction the Company's constitution ('**Constitution**'). To the extent there is any inconsistency between this Charter and the Constitution, the Constitution shall prevail.

The Committee acts primarily as an advisory body to the Board that makes recommendations to the Board. The Committee does not, of itself, have the power or authority of the Board in dealing with matters on which it advises except where certain powers are specifically set out in this Charter or are otherwise delegated by the Board.

1.1 Role and Objectives

1.1.1 Audit Related

The role of the Committee in respect of audit, is to review and make recommendations to the Board by:

- (a) monitoring the integrity of the financial statements of the Company by reviewing significant financial reporting judgments. This will include, but not be limited to, the following:
 - (i) Assessing the appropriateness of accounting policies, practices and disclosures and advising whether the quality of financial reporting is adequate;
 - (ii) Reviewing the half-year and annual (and any other) financial statements before submission to the Board to ensure that they reflect the understanding of the Committee and otherwise provide a true and fair view of the financial position and performance of the Company;
 - (iii) Reviewing the external auditor's management letter and management's response;
 - (iv) Reviewing any related party transactions; and
 - (v) Considering any other topics delegated by the Board;
- (b) reviewing the Company's internal financial control systems and corporate reporting processes;
- (c) maintaining open lines of communication between the Board, external auditors and the Company's compliance officers;
- (d) considering the appointment (or removal) of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- (e) monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- (f) developing and implementing policy on the engagement of (and fees payable to) 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.

1.1.2 Risk Related

The role of the Committee in respect of risk, is to review, make recommendations to, and assist the Board by:

- (a) ensuring 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 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) defining and periodically reviewing risk management as it applies to the Company, and clearly identifying all the stakeholders;
- (d) ensuring that the Committee clearly communicates the Company's risk management philosophy, policies and strategies to directors, senior executives, employees, contractors and other appropriate stakeholders;
- (e) ensuring that directors and senior executives establish a risk aware culture which reflects the Company's risk policies and philosophies;
- (f) monitoring management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
- (g) reviewing any material incident or exposure involving, governance or a breakdown of the Company's risk controls and the "lessons learned";
- (h) receiving reports from management on new and emerging risks, and the controls and mitigation procedures in place to deal with those risks, and satisfying itself that the risk management framework adequately deals with such risks, including, but not exclusively those risk ranked as 'HIGH' and related to:
 - (i) digital disruption;
 - (ii) cyber-security;
 - (iii) privacy and data breaches;
 - (iv) Climate variability or extremes.
- (i) reviewing and making recommendations to the board regarding changes to be made to the Company's risk appetite;
- (j) overseeing the Company's insurance program, having regard to the Company's business and insurable risks;
- (k) 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;
- (l) reviewing methods of identifying broad areas of risk and setting guidelines for business risk reviews;
- (m) reviewing and analysing the Risk Matrix and Risk Register prepared by management;
- (n) providing risk related guidance to management where necessary;
- (o) considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authority; and
- (p) 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. 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;
 - Environmental Social and Governance risk.

1.2 Composition

The Committee will be comprised of at least two members all of whom should be independent non-executive directors. The Board will determine each director's independence having regard to any past and present relationships with the Company which, in the opinion of the Board, could influence the director's judgement, and otherwise having regard to the matters in the Appendix to the Company's Board Charter.

The Chairman of the Committee shall be designated by the Board, and shall not be the Chairman of the Board. In the event of a tied vote on any issue, the Chairman's vote shall decide the issue. Should the Chairman be absent from a meeting, the members of the Committee shall choose one of their number to be Chairman for the particular meeting.

Each Member of the Committee must be financially literate and at least one member of the committee has accounting and/or finance related management expertise.

1.3 Meetings

- (a) Meetings shall be held as frequently as required but not less than twice a year. The external auditors may request a meeting if they consider that one is necessary. A quorum shall be two members.
- (b) A representative of the external auditors may attend meetings by invitation. Other Board members shall also have the right of attendance.
- (c) Minutes of all meetings of the Committee are to be kept.
- (d) Committee meetings will be governed by the same rules, as set out in the Company constitution and as they apply to the meetings of the Board.
- (e) The Company Secretary shall be the Secretary of the Committee.
- (f) The Committee will undertake an annual review to assess the adequacy of its Charter.

The Managing Director and CFO shall be available to attend all Committee meetings. The Committee may invite such other members of the management team and such other people as it deems appropriate to attend the Committee and to provide information as necessary so that the Committee may be fully informed on the relevant matter.

1.4 Resources

The Committee must act within the scope of the responsibilities set out in this Charter and any other responsibilities delegated to the Committee by the Board. In carrying out its responsibilities the Committee may:

- (a) seek any other information that it requires from any employee or external party;
- (b) obtain legal or other professional advice;
- (c) require the attendance of and interview any Company employee, consultant or contractor at its
- (d) meetings (including the auditor); and
- (e) do whatever else it considers necessary or desirable to carry out its responsibilities.

1.5 Tenure, Performance and Evaluation

The term of each member of the Committee will coincide with that member's term on the Board, unless the Board determines otherwise.

The Committee shall review its Charter and performance and the performance of its members from time to time and shall report to the Board on the results of any such review.

The members of the Committee will comply with the Company's applicable Code of Conduct as amended from time to time.

Unless otherwise required by law or the Constitution, the members of the Committee are required to keep Committee discussions, committee papers and deliberations confidential.

1.6 Reporting

- (a) The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee and the Board.
- (b) The Chair of the Committee shall report on Committee deliberations and recommendations to the next full Board meeting.
- (c) The Committee will publicly disclose at the end of each reporting period, the members of the Committee and their relevant qualifications and experience, and the number of times the Committee met throughout the period, and the individual attendances of the members at those meetings.
- (d) The Committee will disclose in relation to each reporting period, whether a review of the Company's risk management framework (to satisfy the Committee that it continued to be sound and that the Company was operating with due regard to the risk appetite set by the Board), took place in that period.
- (e) The Committee will assist the Company to, and the Company will, disclose if it has any material exposure to environmental and/or social risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations) and, if it does, how it manages, or intends to manage, those risks.
- (f) The Committee will comply with other reporting requirements as directed by the relevant authorities.

RISK MANAGEMENT FRAMEWORK

