

1. ROLE

- 1.1 The role of the Jupiter Mines Limited (JMS) Audit Committee is to assist the JMS Board in fulfilling its corporate governance responsibilities in regard to:
- i. the reliability and integrity of financial information for inclusion in the JMS financial statements;
 - ii. audit, accounting and financial reporting obligations of JMS;
 - iii. safeguarding the independence of the external auditor; and
 - iv. financial risk management.
- 1.2 In particular, the Committee is to undertake the functions of the Audit Committee referred to in the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*.

2. MEMBERSHIP

- 2.1 The Committee is to consist of:
- i. only Non-Executive Directors;
 - ii. at least three Members;
 - iii. a majority of independent Non-Executive Directors; and
 - iv. Members who are all financially literate (ie are able to read and understand financial statements).
- 2.2 It is anticipated that at least one Member has financial expertise or significant experience of financial, accounting and commercial matters. The Committee may seek the counsel of a financial expert at any time and may do so in accordance with clause 6 of this Charter.
- 2.3 All Directors are welcome to attend Committee Meetings.
- 2.4 The Chairman of the Committee is to be an independent Non-Executive Director, who is not Chairman of the Board.
- 2.5 Committee Members and the Chairman of the Committee are appointed by the JMS Board in accordance with clause 48 of the JMS Constitution.
- 2.6 Committee Members may appoint Alternate Directors to act as an Alternate Member on the same terms as that set out in clause 42 of the JMS Constitution.

3. RESPONSIBILITIES

3.1 Understanding the Business

The Committee should ensure it understands the structure, controls and types of transactions of JMS.

3.2 Financial Reporting

In assisting the Board (and without limiting its scope), the Committee will:

- i. review the financial information presented by management to the Board, the market, security holders and regulators;
- ii. oversee the effectiveness of administrative and accounting controls used by JMS;
- iii. oversee and appraise the quality of the audits conducted by the external auditors; and
- iv. maintain open lines of communication with the external auditors.

3.3 Review of Financial Information

Without limiting its scope, the Committee is to review:

- i. the draft half yearly and annual financial statements of JMS, prior to consideration by the JMS Board, to ensure they represent a true and fair view of JMS's financial position and performance; and
- ii. the declaration signed by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act* and the statements requirement by Recommendations 4.1 and 7.2 of the *ASX Principles*.

3.4 Insurance

Without limiting its scope, the Committee is to:

- i. review and approve or ratify any material new insurances, proposed cancellations or variations of existing policies; and
- ii. be advised of each renewal (including details of the principal terms) of material insurances.

3.5 Taxes

Without limiting its scope, the Committee is to:

- i. monitor compliance with all tax obligations;
- ii. review any relevant taxation information submitted to the Committee; and
- iii. where necessary, approve or ratify any material amendments to taxation policies.

3.6 Financial Risk Management

Without limiting its scope, the Committee will ensure management has established and operates a financial risk management system which is designed to identify, assess, monitor and manage financial risk.

3.7 External Auditor

In relation to the external auditor, the Committee should:

- i. observe the policies and procedures for the selection, appointment and re-appointment of the external auditor and the rotation of external audit engagement partners;
- ii. recommend to the JMS Board:
 - a. appointment and removal of the external auditor;
 - b. terms of appointment or re-appointment of the external auditor; and
 - c. level of fees payable to the external auditors;
- iii. at least annually, assess the performance and independence of the external auditor and whether the independence of this function is maintained having regard to the provision of non-audit related services, and provide to the Board the written advice as required by section 300(11D)(a) of the *Corporations Act*;
- iv. on an annual basis, obtain and review a report from the external auditor describing:
 - a. the audit firm's internal quality control and conflict procedures;
 - b. any material issues raised by the most recent quality control, or peer review, of the audit firm, and any steps taken to address such issues; and
 - c. all relationships between the external auditor and JMS.

3.8 Other

Other responsibilities of the Committee include, but are not limited to:

- i. reviewing policies and practices on sensitive issues referred to the Committee by the Board;
- ii. identifying and directing any special projects or investigations as deemed necessary; and
- iii. examining any other matters referred to it by the Board.

4. MEETINGS

- 4.1 The Committee should meet as often as the Chair of the Committee determines necessary. At a minimum, the Committee should meet at least twice per year (for consideration of the half and full-year results of JMS). Committee Meetings may however be requested by any Member.
- 4.2 A quorum for a Committee Meeting is when at least two Members are present.
- 4.3 At each Meeting, the Committee may:
- i. meet privately;
 - ii. meet with executive management (without the external auditor) to ensure there are no issues relating to the external audit; and
 - iii. meet with the external auditors (without management) to allow any sensitive issues to be discussed and to seek assurance that no management restrictions are being placed upon the external auditors.
- 4.4 The Company Secretary of JMS will be the secretary to the Committee and will be responsible for maintaining minutes of the Committee Meetings.
- 4.5 Relevant JMS employees may be invited to attend Committee Meetings.

5. REPORTING

- 5.1 The Committee is to report on its Meetings to the Board (which may be either verbally or in writing).
- 5.2 In conjunction with the approval of the Annual Financial Reports, the Committee is to prepare a Report to the Board. The Report is to contain all matters relevant to the Committee's role and responsibilities, and should include but not be limited to:
- i. assessment of whether external reporting is consistent with Committee Members' information and knowledge and is adequate for security holders' needs;
 - ii. assessment of the management processes supporting external reporting;
 - iii. to the extent necessary (and having regard to paragraph 3.7):
 - a. procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
 - b. recommendations for the appointment or removal of an external auditor; and
 - iv. assessment of the performance and independence of the external auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services.

6. ACCESS TO INFORMATION AND ADVICE

- 6.1 Committee Members have unlimited, direct access to the external auditors.
- 6.2 The Committee has the authority to seek any information it requires from any JMS employee and all employees must comply with such requests.
- 6.3 In carrying out its functions, the Committee may take independent legal, accounting or other professional advice or assistance, at the reasonable expense of JMS. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee is to request such information, professional advice or assistance permitted under this clause 6 via the Chairman.

7. COMMITTEE PERFORMANCE

To determine whether it is functioning effectively, the Committee shall:

- i. review this Charter annually; and
- ii. undertake an evaluation of its performance at intervals considered appropriate by the Chairman.