Audit & Risk Committee Charter

Mithril Silver and Gold Limited

ACN 099 883 922

1. Introduction & Objectives

Having regard to the size and intended operations of the Company, it has been determined the function of the risk component of the Audit & Risk Committee (Committee) is the responsibility of the Board, which will carry out the risk function in accordance with this Audit and Risk Committee Charter (Charter).

This position is to be reviewed periodically.

Its purpose is to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Company and its related bodies corporate (Group) by:

a) assisting the Board in fulfilling its oversight responsibilities in respect of:
- **i. the financial reporting process;**
- **ii. the system of internal control relating to all matters affecting the MTH recycling's financial performance; and**
- **iii. the internal (if appointed) and external audit process.**

b) assisting the Board with the adoption and application of appropriate ethical standards and management of the Group and the conduct of its business;

c) assisting 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 Group's insurance policies and self-insured risks; and

d) reviewing related party transactions.

If the Company does not have an Audit and Risk Committee, the Board will carry out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter.

2. Constitution

When applicable, the Committee will be established by resolution of the Board. Until such time a Committee is constituted, the full Board of the Company will act in its place. The Board may delegate certain functions of the Committee to a distinct committee.

3. Membership

The Committee shall, where possible, consist of at least three Non-Executive Directors, all majority of whom are independent Directors. The relevant qualifications and experience of the members of the Committee are to be disclosed in the annual report of the Company for each Reporting Period.

4. Chair

The full Board will nominate the Chair of the Committee, who shall be an independent non-executive Director who is also not the Chair of the Board, where possible.

5. Secretary

The Secretary will be the secretary of the Committee.

6. Other Attendees

The CEO/Managing Director and CFO, as well as other members of Senior Management, may be invited to be present for all or part of the meetings of the Committee, but will not be members of the Committee.

Representatives of the external auditor of the Company are invited to attend Committee meetings at least once per reporting period.

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7. Quorum

A quorum will be two members (two Directors if committee constituted by the Board).

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8. Meetings

Committee meetings will be held not less than four times a year to enable the Committee to undertake its role effectively. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee, the CEO/Managing Director or the auditor.

At the end of each Reporting Period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings shall be disclosed in the annual report of the Company.

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9. Authority

The Committee is authorised by the Board to investigate any activity within its charter. The Committee will have access to management and auditors and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

This is required to make recommendations to the Board on all matters within the Charter.

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10. Reporting Procedures

The Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

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11. Responsibilities of the Audit and Risk Committee

The Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. This has the following duties and such other matters as delegated by the Board from time to time:

Accounting Practices and External Reporting
Financial Statements

- **To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:**
  - **any changes in accounting policies and practices;**
  - **major judgmental areas;**
  - **significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;**
  - **asset carrying values and impairment testing;**
  - **going concern considerations;**
  - **compliance with accounting policies and standards; and**
  - **compliance with legal requirements.**
- **To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.**
- **To oversee management's appointment of the company's public accountant.**

Before the Company approves financial statements for a financial period (being a period within which the Company must report on its financial performance in accordance with its disclosure obligations), the Managing Director/CEO and CFO (or, if none, the person(s) fulfilling those functions) must provide a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion of the Managing Director/CEO and the CFO (or, if none, the person(s) fulfilling those functions) has been formed on the basis of a sound system of governance, risk management and internal controls (the formulation of which are provided for in this Charter) which is operating effectively.

Periodic financial or other reports released in or for a particular financial period which are not audited or reviewed by the external auditor are to be peer-reviewed internal and signed off on by the CFO and the Board prior to release (including a release as an announcement to ASX).

Related Party Transactions
To monitor and review the propriety of any related party transactions.

External Audit Function
- **To recommend to the Board the appointment of the external auditor;**
- **To meet privately with the external auditor on at least an annual basis;**
- **Each year, to review the appointment of the external auditor, their independence, the scope of their appointment, the audit fee, and any questions of resignation or dismissal;**
- **To discuss with the external auditor before the audit commences the nature and scope of the audit, and to ensure coordination between staff and external auditor;**
- **To determine that no management restrictions are being placed upon external auditor;**
- **To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);**
- **To review the external auditor's letter to management and management's response; and**
- **To review any regulatory reports on the Company's operations and Management's response.**

Communication

- **Providing, through regular meetings, a forum for communication between the Board, management, staff involved in internal control procedures and the external auditors;**
- **Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the public; and**
- **Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.**

Assessment of Effectiveness

To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, internal auditors (if any) and the external auditors.

If the Company has an internal audit function the Committee shall be responsible for determining the structure and role of the internal audit function in the context of the Company.

Oversight of the Risk Management System

- **Monitor management's performance against the Company's risk management systems, including whether the Company is operating within the risk appetite adopted by the Board and to make recommendations to the Board in relation to changes that may be desirable to the management systems or risk appetite as set by the Board;**
- **To review at least once during each Reporting Period the Company's risk management framework to ensure that risks relevant to achieving the Company's strategic, business and reputational objectives are appropriately informed to the board and to ensure that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite as set by the board;**
- **To oversee internal compliance and control procedures of the Company in connection with its risk management framework and the performance of the Company against its risk management framework and risk appetite.**
- **To review any material incident involving fraud or a breakdown of the Company's risk controls.**
- **Meet periodically with key management, internal staff and external auditors to understand and discuss the Company's control environment and make recommendations;**
- **Receive reports from internal audit (if any) on its review of the adequacy of the Company's processes for managing risk;**
- **Receive reports from management on new and emerging sources of risk controls and mitigation measures that management has put in place to deal with those risks;**
- **Assess the internal processes for determining and managing key risk areas, including:**
  - **non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;**
  - **the Company's insurance program;**
  - **litigation and claims; and**
  - **relevant business risks other than those that are dealt with by other specific committees.**
- **To evaluate the Company's exposure to fraud;**
- **To advise the Board in relation to risk oversight and management policies, including any variations to the risk management framework of the Company;**
- **To take an active interest in ethical considerations regarding the Company's policies and practices;**
- **To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest;**
- **To identify and direct any special projects or investigations deemed necessary;**
- **To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations;**
- **To specifically address social and environmental risks that the Company faces;**
- **To ensure a safe working culture is sustained in the workforce;**

- **To oversee the Company's insurance program, having regard to the business and insurable risks associated with the business of the Company;**
- **To determine the Company's Risk Profile describing the material risks, including both financial and non-financial matters, facing the Company and to assess the Company's Risk Profile as adopted and provide recommendations to update such risk profile with respect to forecast probabilities of financial and non-financial risks the Company faces (including the risk management framework and risk appetite as described above) and in any event at least once during each Reporting Period.**

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12. Revision of Charter

This Charter and any amendments to it must be approved by the Board.

The Committee is responsible for review of the effectiveness of this Charter and the operations of the Committee and to make recommendations to the Board of any amendments to this Charter.

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13. Approved and Adopted

This Charter was approved and adopted by the Board on 22 February 2023.