AUDIT AND RISK COMMITTEE CHARTER

EQ RESOURCES LIMITED
ABN 77 115 0009 106

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1.0 PURPOSE

1.1 The Audit and Risk Committee is a committee of the Board of Directors (the “**Board**”) of EQ Resources Limited and its related bodies corporate (the “**Company**”).

1.2 The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its governance and oversight responsibilities in relation to:

(a) the integrity of the Company’s financial reporting and external disclosures;

(b) the effectiveness of the Company’s risk management framework and risk profile;

(c) oversight of material financial and non-financial risks, including ESG, sustainability and climate-related risks;

(d) compliance with applicable legal and regulatory requirements;

(e) the adequacy of internal control systems;

(f) the effectiveness of internal and external assurance arrangements;

(g) the adequacy of the Company’s compliance framework; and,

(h) such other matters as referred to the Committee by the Board.

1.3 The Audit and Risk Committee operates in accordance with this Charter and the Board Charter and makes recommendations to the Board on matters within the scope of its responsibilities. The Audit and Risk Committee does not replace the Board’s accountability for these matters.

1.4 To the extent that there is any inconsistency between this Charter and the Company’s Constitution, the Constitution will prevail to the extent of that inconsistency.

2.0 MEMBERSHIP

2.1 The Audit and Risk Committee shall be appointed by the Board from among the Directors of the Company.

2.2 The Audit and Risk Committee will comprise at least three (3) members, with a majority of members independent Non-Executive Directors and

(a) include at least one member who understands the industry in which the Company operates; and

(b) comprise members who can read and understand financial statements and are otherwise financially literate.

2.3 Directors will be appointed to the Audit and Risk Committee for a term of three years or such shorter time as they remain in office.

3.0 APPOINTMENT OF (SHAREHOLDER) NOMINEE DIRECTORS TO THE BOARD

3.1 The Audit and Risk Committee is responsible for overseeing the process for the appointment of nominee directors to the Board or a Board Committee, in line with the EQR’s constitution, the ASX Listing Rules, the *Corporation Act 2001* (Cth), and applicable ASX Corporate Governance Principles.

3.2 The Audit and Risk Committee will conduct or oversee the necessary background checks and due diligence on potential nominee directors to assess their suitability. This will include reviewing any conflicts of interest, the independence of each nominee, professional background, and industry experience.

3.3 Following the due diligence process, the Committee will make recommendations to the Board for the appointment of nominee directors. The Committee will provide a report on the suitability of the candidate and any potential risks.

4.0 CHAIR

4.1 The Board will nominate the Chair of the Audit and Risk Committee, who shall be an independent Non-Executive Director (where possible) who is not the Chair of the Board.

4.2 The responsibilities of the Audit and Risk Committee Chair include:

(a) determining the agenda for meetings in conjunction with the Secretary;

(b) chairing meetings and facilitating effective discussion;

(c) ensuring adequate flow of information to the Audit and Risk Committee;

(d) reporting to the Board on the Committee's activities;

(e) making recommendations to the Board on relevant matters as outlined in this Charter; reviewing the minutes of meetings, circulating to the members and signing the approved minutes;

(f) ensuring action items are tracked and closed in a timely manner; and

(g) act under a delegation of the Audit and Risk Committee, including liaising with consultants advising the Audit and Risk Committee.

5.0 SECRETARY

5.1 The Company Secretary shall be the Secretary of the Audit and Risk Committee.

6.0 OTHER ATTENDEES

6.1 The Managing Director and Chief Financial Officer as well as other members of Management, may attend meetings by invitation of the Chair but are not members of the Audit and Risk Committee.

6.2 Representatives of the external Auditor may attend meetings by invitation of the Chair where appropriate, including in relation to half year and once full year financial reporting.

6.3 Other Directors of the Board may choose to attend and be present for all or part of the meetings of the Audit and Risk Committee but will not be considered members of the Committee.

6.4 The Committee may meet with the external auditor, internal auditor or assurance providers without Management present whenever considered appropriate.

7.0 QUORUM

7.1 A quorum will be two members.

8.0 MEETING FREQUENCY

8.1 Audit and Risk 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 must call a meeting of the Audit and Risk Committee if requested to do so by any member of the Audit and Risk Committee, the Managing Director or the external Auditor.

9.0 AUTHORITY

9.1 The Audit and Risk Committee is authorised by the Board to complete the duties of the Committee and investigate any activity within this Charter. It is authorised to seek all information it requires from Management and other employees, and all employees are directed to cooperate with any request made by the Audit and Risk Committee.

9.2 The Audit and Risk 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 at meetings of the Audit and Risk Committee if it considers this necessary.

10.0 REPORTING PROCEDURES

10.1 The Audit and Risk Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Audit and Risk Committee to all members of the Committee for comment and change before being signed by the Chair of the Audit and Risk 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 Audit and Risk Committee meeting along with any recommendations.

11.0 DUTIES

The Audit and Risk Committee has the following duties:

11.1. 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:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;

(d) asset carrying values and impairment testing;

(e) going concern considerations;

(f) compliance with accounting policies and standards; and,

(g) compliance with legal requirements.

Prior to approval of any financial statements, the Committee will ensure the Managing Director and CFO provide a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

(h) 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.

(i) To oversee management's appointment of the Company's public accountant.

(j) The Company's external auditor will be requested to attend its Annual General Meeting and to be available to answer questions for security holders relevant to the audit.

11.2. RELATED PARTY TRANSACTIONS

(a) To monitor and review the propriety of any related party transactions.

11.3. EXTERNAL AUDIT FUNCTION

(a) To recommend to the Board the appointment or removal of the external Auditor;

(b) To meet privately with the external Auditor on at least an annual basis;

(c) Each year, to review the appointment of the external Auditor, their independence, the audit fee, and any questions of resignation or dismissal;

(d) 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;

(e) To determine that no management restrictions are being placed upon external Auditor;

(f) 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);

(g) To review the external Auditor's Management Letter and Management's response; and

(h) To review any regulatory reports on the Company's operations and Management's response.

11.4. COMMUNICATION

(a) Providing, through regular meetings, a forum for communication between the Board, Senior Financial Management, staff involved in internal control procedures and the external Auditors;

(b) Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the public; and

(c) 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.

11.5. ASSESSMENT OF EFFECTIVENESS

(a) To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating Management, Internal Auditors and the External Auditors.

11.6. OVERSIGHT OF THE RISK MANAGEMENT SYSTEM

(a) To review at least twice annually the Company's risk management systems to ensure that risks relevant to achieving the Company's strategic, business and reputational objectives are appropriately informed to the Board.

(b) To monitor material risks including:

  (i) financial risks;

  (ii) operational risks;

  (iii) regulatory and compliance risks;

  (iv) ESG, sustainability and climate-related risks;

  (v) health, safety and environmental risks;

  (vi) cyber and information security risks;

  (vii) fraud and corruption risks;

(viii) insurance, litigation and reputational risks; and,

(ix) emerging and systemic risks.

(c) Meet periodically with key Management, internal staff and external Auditors to understand and discuss the Company's control environment.

(d) Assess the internal processes for determining and managing key risk areas, including:

(i) non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;

(ii) the Company's insurance program;

(iii) litigation and claims; and

(iv) relevant business risks other than those that are dealt with by other specific committees.

(e) To evaluate the Company's exposure to fraud and provide suggestions to ways in which the Company could reduce its exposure to the same including through recommending staff training in relation to fraud and fraud prevention.

(f) To evaluate the Company's employee reporting and whistleblower policies and, where appropriate, provide suggestions in respect of same.

(g) To take an active interest in ethical considerations regarding the Company's policies and practices.

(h) To review and, where applicable, suggest amendments to the Company's policies and practices with respect to health and safety and environmental policies.

(i) To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.

(j) To identify and direct any special projects or investigations deemed necessary.

(k) To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.

(l) To ensure a safe working culture is sustained in the workforce.

(m) To determine the Company's Risk Appetite statement describing the material risks, including both financial and non-financial matters, facing the company.

(n) To regularly review, monitor adherence to and update the Company's Risk Appetite statement.

12.0 COMMITTEE PERFORMANCE EVALUATION

12.1 The Board will, at least once in each year, review the membership of the Audit and Risk Committee and make recommendations whether its composition and processes remain appropriate.

12.2 The Committee will make an evaluation of its performance at least once every year to determine whether it is functioning effectively by reference to current best practice. The Board will oversee this assessment, with a view to ensuring that the evaluation processes accord with best practice. Such evaluation will have regard to, amongst other matters, the extent to which the Audit and Risk Committee has met its responsibilities in this Charter.

12.3 The Board will disclose at the end of each reporting period:

(a) the composition of the Audit and Risk Committee;

(b) meeting frequency and attendance;

(c) whether the Company's risk management framework has been reviewed; and,

(d) such other information as required under ASX Listing Rules and Corporate Governance Principles.

13.0 CHARTER REVIEW

13.1 EQR has nominated the Company Secretary as the person with primary responsibility for compliance with this Charter. Any questions about this Charter should be referred to them.

13.2 This Charter will be reviewed by our Board every 2 years to ensure it remains effective and meets the best practices, industry standards, and our needs.

13.3 This Charter will be available on the EQR's website within a reasonable time after any such updates or amendments have been approved.

13.4 This Charter cannot be amended without written approval from the Board of Directors.

14.0 DOCUMENT VERSION INFORMATION

Policy Status:	Adoption	23/07/2026
	Version	V1.0 Approved on 26/01/2019 V1.1 Updated on 23/12/2020 V1.2 Updated on 8/3/2024 V2.0 Updated on 25/09/2024 V3.0 Updated on 23/07/2026
Endorsement Body:	EQ Resources Board	
Approval Body:	EQ Resources Board	
Maintained by:	Company Secretary	