



Audit and Risk Management Committee Charter

Golden Horse Minerals Limited (ARBN 652 693 877)

Adopted by the Board on 5 July 2024

Golden Horse Minerals Limited - Audit and Risk Management Committee Charter

1 Role of the Audit and Risk Management Committee and its Authority

- (a) This is the Charter of the Audit and Risk Management Committee (**Committee**), established by the board of directors of Golden Horse Minerals Limited (ARBN 652 693 877) (**Golden Horse**) (the **Charter**). The Charter governs the operations of the Committee. It sets out the Committee's membership, role, duties and responsibilities, composition, structure and membership requirements.
- (b) The Committee has been established to assist the board of directors of Golden Horse (**Board**) in fulfilling its corporate governance and oversight responsibilities in relation to Golden Horse's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external statutory audit process.
- (c) The Board is responsible for corporate governance and oversight of Golden Horse's financial reporting, internal control structure, risk management systems and internal and external audit functions. In doing so, the Board has the responsibility to maintain free and open communication with the external auditor and Golden Horse's management.
- (d) The Board may investigate any matter, with full access to all books, records, company operations, and people of Golden Horse and the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.

2 Membership

The Committee will:

- (a) meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange, the *Business Corporations Act* (British Columbia), Australian Securities Exchange (**ASX**), the *Corporations Act 2001* (Cth) (**Corporations Act**) and all applicable securities regulatory authorities;
- (b) comprise only of members of the Board and members will be appointed and removed by the Board;
- (c) be of sufficient size, independence and technical expertise to discharge its mandate effectively;
- (d) except as otherwise considered appropriate by the Board, having regard to the size of the Company and relevant skills and experience of the Committee members, consist of:
 - (i) at least three members;
 - (ii) only non-executive directors;
 - (iii) a majority of independent directors (**Independent Directors**); and
 - (iv) an independent Chair, who will be nominated by the Board from time to time, but who will not be the Chair of the Board;
- (e) comprise members who are financially literate (i.e. members who are able to read and understand financial statements);
- (f) include at least one member who has accounting and/or related financial management expertise (i.e. a member who is a qualified accountant or other financial professional with experience of financial and accounting matters) and

some members who have an understanding of the industries in which the Company operates;

- (g) comprise members who will be appointed for a fixed period of no more than 3 years, with Committee members generally being eligible for reappointment for so long as they remain Independent Directors or as otherwise considered appropriate by the Board;
 - (h) comprise members that have a reasonable understanding of Golden Horse's business and the industry in which it participates.
 - (i) The Company Secretary of Golden Horse is secretary to the Committee.
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3 Meetings

- (a) The Committee will meet at least four times annually.
 - (b) The Committee may meet in private with Golden Horse's external auditor.
 - (c) Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.
 - (d) The proceedings of all meetings will be minuted by the Company Secretary.
 - (e) A quorum for any meeting will be at least two Committee members.
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4 Duties and Responsibilities

- (a) The Committee's key responsibilities and functions are to discharge its responsibilities in relation to Golden Horse, including:
 - (i) to oversee the establishment of and approve Golden Horse's risk management framework (for both financial and non-financial risks) including its strategy, policies, procedures and systems;
 - (ii) to review at least annually and monitor the effectiveness of Golden Horse's risk management framework to satisfy itself that it continues to be sound and Golden Horse is operating with due regard to the risk appetite set by the Board;
 - (iii) to review and monitor the effectiveness of Golden Horse's risk management strategy, policies, procedures and systems;
 - (iv) to review and approve Golden Horse's financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under applicable laws before Golden Horse publicly discloses this information;
 - (v) to ensure that adequate procedures are in place for the review of Golden Horse's public disclosure of financial information extracted or derived from Golden Horse's financial statements, other than the public disclosure referred to in subsection (iv) above, and periodically assess the adequacy of these procedures;
 - (vi) in relation to Golden Horse's financial reporting, which, without limitation, includes:
 - (A) reviewing the suitability of Golden Horse's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
 - (B) assessing significant estimates and judgements in financial reports; and
 - (C) assessing information from the external auditor to ensure the quality of financial reports;

- (vii) in relation to the entry into, approval or disclosure of related party transactions (if any);
 - (viii) in overseeing Golden Horse's financial controls and systems;
 - (ix) to manage audit arrangements and auditor independence, including considering whether an internal audit function is required and, if not, ensuring that Golden Horse discloses the processes it employs to evaluate and improve its risk management and internal control processes; and
 - (x) ensuring that any periodic corporate report Golden Horse released to the market that has not been subject to audit or review by an external auditor discloses the process taken to verify the integrity of its content.
- (b) If Golden Horse has an internal audit function, the Committee is responsible for:
- (i) the appointment and removal of the head of the internal audit function;
 - (ii) the scope and adequacy of the internal audit work plan; and
 - (iii) the independence, objectivity and performance of the internal audit function.
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5 Reporting

The Committee should compile a report on all matters relevant to the Committee's role and responsibilities at least annually.

6 Preparation and Presentation of Financial Statements and Reports

The Committee will:

- (a) after review with management and the external auditor, approve the quarterly, half year and full year financial statements, the preliminary financial reports to be lodged with ASX and all related financial reports and statements required to be filed under applicable laws;
 - (b) review representation letters to be signed by management to ensure that all relevant matters are addressed;
 - (c) discuss matters raised by the external auditor as a result of their work;
 - (d) assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts; and
 - (e) ensure that appropriate processes are in place to form the basis upon which the persons performing the function of Chief Executive Officer and Chief Financial Officer execute their certifications under section 295A of the Corporations Act to the Board at financial year end in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks.
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7 Financial Controls and Systems, Risk Management Policy, Procedures and Systems

- (a) The Committee will oversee the effectiveness of Golden Horse's financial controls and systems, oversee the risk management function (as detailed below) and evaluate the structure and adequacy of the group's insurance coverage periodically.
- (b) The risks faced by Golden Horse may include regulatory and compliance risk, investment risk, legal risk, economic risk, environmental risk, social sustainability risk, occupational health and safety risk, financial risk, reputation risk, operational and execution risk and strategic risk.

- (c) Responsibility for risk management is shared across the organisation. Key responsibilities include:
- (i) the Board is responsible for overseeing the:
 - (A) establishment of and approving Golden Horse's risk management framework (for both financial and non-financial risks) including its strategy, policies, procedures and systems; and
 - (B) disclosure of any material exposure that Golden Horse has to environmental or social risks and how Golden Horse intends to manage those risks;
 - (ii) Golden Horse management is responsible for establishing Golden Horse's risk management framework, including identifying major or potentially major risk areas and developing Golden Horse's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks;
 - (iii) the Committee is responsible for:
 - (A) identifying major or potentially major risk areas;
 - (B) reviewing and monitoring Golden Horse's risk management framework to provide assurance that major business risks are (including contemporary and emerging risks) identified, consistently assessed and appropriately addressed. In addition, the Committee should undertake a review of Golden Horse's risk management framework with management (at least once annually) to satisfy itself that Golden Horse's risk management framework continues to be sound including whether there have been any changes in the material business risks and whether Golden Horse is operating within the risk appetite set by the Board. The Committee should ensure that the Board discloses whether such a review has taken place in the Golden Horse annual report;
 - (C) considering Golden Horse's approach to occupational health and safety, economic, environmental, and social sustainability risks, including the benchmarks Golden Horse uses to measure performance on issues of sustainability and their achievements against those benchmarks;
 - (D) ensuring that risk considerations are incorporated into strategic and business planning;
 - (E) reviewing any material incident involving fraud or a break-down of the risk management framework and identifying "lessons learned";
 - (F) reviewing reports from management concerning compliance with key laws, regulations, licences and standards which Golden Horse is required to satisfy to operate;
 - (G) overseeing tax compliance and tax risk management; and
 - (H) reviewing any significant findings of any examinations by regulatory agencies.
 - (iv) the persons performing the function of Chief Executive Officer and Chief Financial Officer are to provide to the Board declarations in accordance with section 295A of the Corporations Act; and
 - (v) each employee and contractor is expected to understand and manage the risks within their responsibility and boundaries of authority when making decisions and undertaking day to day activities.
- (d) The Committee should compile a report annually about Golden Horse's adherence to policies and guidelines approved by the Board for the management of risks.

- (e) The Managing Director or Chief Executive Officer (as applicable) and Chief Financial Officer are each responsible for reporting to the Committee on:
 - (i) any proposed changes to the risk management framework and to that committee and any exposures or breaches of key policies, procedures or systems, or incidence of risks, where significant (including any material incidents reported under Golden Horse's Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Protection Policy);
 - (ii) new and emerging sources of risks (including the risk controls and mitigation measures that have been or are being put in place by management to deal with those risks);
 - (iii) any disclosure-related considerations; and
 - (iv) proposed changes to Golden Horse's risk management framework.
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8 External Audit

The Committee:

- (a) is responsible for the appointment, reappointment or replacement (subject to shareholder ratification, as required), remuneration, monitoring of the effectiveness, and independence of the external auditor and the external auditor will report directly to the Committee;
 - (b) is responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditors regarding financial reporting;
 - (c) will discuss annually with the external auditor the overall scope of the external audit and ensure the external auditor attends the Golden Horse Annual General Meeting and is available to answer questions from security holders relevant to the audit;
 - (d) must pre-approve all audit and non-audit services provided by the external auditor (other than taxation services) and will not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of Golden Horse. The Committee may delegate a pre-approval dollar limit to the Chief Financial Officer and authority to a member of the Committee to pre-approve amounts in excess of this between Committee meetings;
 - (e) will consider statements to be made in the directors' report regarding non-audit services in accordance with the Corporations Act;
 - (f) will annually request from the external auditor a report which sets out all relationships that may affect its independence;
 - (g) will review the procedures for selection and appointment of the external auditors and rotation of external audit engagement partner; and
 - (h) will review and approve Golden Horse's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of Golden Horse.
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9 Communication

The Committee is to establish procedures for dealing with complaints received by Golden Horse (including receipt, retention, and effective treatment of these complaints) regarding accounting, internal accounting controls, or auditing matters, and submissions by employees of Golden Horse, including confidential, anonymous submissions, of concerns regarding questionable accounting or auditing matters. All such employee submissions shall be treated as confidential. The Committee shall receive corporate legal reports of evidence of any material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty.

10 Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities. Without limiting the generality of the foregoing, the Committee has the authority to:
 - (i) engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (ii) set and pay the compensation for advisors employed by the Committee; and
 - (iii) communicate directly with the internal and external auditors.
- (b) The Committee has access to:
 - (i) Golden Horse's management, to seek explanations and information from them; and
 - (ii) external and internal auditors to seek explanations and information, without Golden Horse's management being present.
- (c) The person performing the function of Chief Financial Officer and the Company Secretary shall have free and unfettered access to the Committee.
- (d) The Committee may seek professional advice from appropriate external advisers, at Golden Horse's cost. The Committee may meet with these external advisers without Golden Horse's management being present.

11 Committee Performance

- (a) The Board will, at least once in each year, review the membership of the Committee to determine its adequacy for current circumstances.
- (b) The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

12 Reviews and changes to this Charter

- (a) The Committee will review this Charter annually or as often as it considers necessary.
- (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.