

AUDIT AND RISK COMMITTEE CHARTER

A. Objectives and Key Accountabilities

1. The Audit and Risk Committee (Committee) is a committee of the Board of Directors of FMR Resources Limited (Company), established in accordance with clause 8.3 of the Company's Constitution.
2. The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board for any amendments made from time to time.
3. The Committee provides assistance to the Board in fulfilling its responsibility for oversight of the quality and integrity of the Company's accounting, auditing, financial reporting, financial and other risk management policies and practices, and fulfilling such other duties as are directed to it by the Board.
4. The Committee is responsible for recommending to the Board the appointment, compensation and retention of the External Auditor.
5. The External Auditor reports to the Committee and ultimately to the Board. The Committee is responsible for oversight of the performance of the External Auditor and reporting on that to the Board.
6. The Committee makes recommendations to the Board as it sees fit in fulfilment of its responsibilities. The delegation of specific functions to the Committee does not relieve the Board of its duties and responsibilities but assists the Board in carrying out its responsibilities.

B. Membership

1. The Committee shall comprise at least 3 non-executive Directors that have diverse, complementary backgrounds and who all meet the independence requirements established by the Board and applicable laws, regulations and listing requirements.
2. The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.
3. Each member of the Committee shall, in the judgment of the Board, have the ability to understand financial statements.
4. At least one member of the Committee shall, in the judgment of the Board, be a qualified accountant or other finance professional with relevant experience of financial and accounting matters as recommended by Principle 4 of the ASX Corporate Governance Principles.
5. The Board appoints the members of the Committee and its Chairperson. The Chairperson of the Committee will be an independent non-executive Director and shall not also be the Chairperson of the Board. In the absence of the Committee Chairperson, one of the Committee Members (either nominated by the Committee Chairperson or elected by the Committee) will act as the Committee Chairperson for that meeting.
6. Members of the Committee must have an understanding of the industries in which the Company operates.
7. The Secretary of the Committee shall be the Company Secretary, or such other person nominated by the Board.

C. Meetings

1. A quorum for any meeting of the Committee shall be any two members of the Committee.
2. The Group Chief Executive Officer (CEO), Chief Financial Officer (CFO), and External Auditor shall be given notice of all meetings and shall attend meetings by invitation. The Committee may also invite any Board member or other person to attend meetings. Any Board member may attend meetings.
3. The Committee meets at least quarterly. Additional meetings may be convened as the Committee or its Chairman deem necessary.
4. Copies of all papers provided to the Committee shall also be made available to all Board members.
5. At each meeting, each member shall have one vote. The Chairperson will not have a second or casting vote.
6. The Committee shall cause to be kept adequate minutes of all its proceedings and the minutes of a Committee meeting will be approved at the next Committee meeting and signed by the Chairperson.
7. The Chairperson of the Committee will report on all its activities and actions at the next scheduled meeting of the Board. Committee members shall be provided with copies of the draft minutes as soon as practicable after each meeting. An Action List from each Committee meeting shall be approved by the Chairman and circulated to all Committee members as soon as practicable after each meeting. The Action List shall include accountabilities, performance expectations and the nature and timing of subsequent reporting.
8. The Committee shall meet with Internal and or External Auditors in the absence of management, as it considers appropriate.
9. The Board will disclose in the Company's Annual Report the number of times the committee met throughout the relevant reporting period and the individual attendances of the members of the Committee at the meetings held throughout the period.

D. Authority and Access

1. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities.
2. In discharging its duties and responsibilities, the Committee is empowered to investigate any matter brought to its attention.
3. The Committee is authorised by the Board to seek any information it requires from any Board member, executive or employee, and all such persons are directed to co-operate with any request made by the Committee.
4. The Committee shall be provided with such appropriate funding by the Company as the Committee determines for the payment of compensation to the Company's external auditors, external advisors, experts or consultants as it deems appropriate and to pay ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

E. Roles and Responsibilities of the Committee

Risk management and compliance

In the area of risk management and compliance, the key responsibilities of the Committee are to:

1. monitor management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;

2. make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
3. review and evaluate and monitor, by receiving reports from management, the adequacy and effectiveness of:
 - a. the management reporting and control systems used to monitor adherence to policies and guidelines and the Company's delegated authority framework and limits;
 - b. the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and the external auditor;
 - c. the structure and adequacy of the Company's own insurances on an annual basis;
 - d. internal audit or controls and systems to identify and manage business risks; and
 - e. processes to identify and manage any material exposure to economic, environmental and social sustainability risks;
4. arrange for management to report to the Board on whether the Company's material business risks (including any sustainability risks, but excluding those risks which are included as responsibilities in the Charters of other Board Committees) are being managed effectively;
5. evaluate, by receiving reports from management, the Company's exposure to fraud and oversee investigations of allegations of material or systemic fraud or malfeasance;
6. review and evaluate, by receiving reports from management, the procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices, and the environment) and the Company's own codes of conduct (but excluding those which are included as responsibilities in the Charters of other Board Committees);
7. review the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, *Corporations Act 2001* (Cth) and AASB requirements);
8. oversee the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business;
9. ensure management establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters;
10. review management processes supporting external reporting, and any complaints or concerns raised internally regarding business conduct matters, financial or accounting processes and practices;
11. review the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards;
12. review and discuss with management and the external auditor the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs; and
13. receive reports, at least every two years, on an external review of the Company's risk management program undertaken by a suitably qualified consulting organisation, together with management's responses to that review.

F. Financial and corporate reporting

In the area of financial and corporate reporting, the responsibilities of the Committee are to:

1. oversee the Company's financial and corporate reporting and disclosure processes and internal control framework;
2. assist the Board in determining the reliability and integrity of accounting policies and financial reporting and disclosure practices to ensure that financial statement reflect a true and fair view of the financial position and performance of the Company;
3. approve the Company's accounting policies and principles that are required to be reported in the notes to the financial statements (**Policies**) and changes to the Policies, review and assess the appropriateness of those Policies, including conformance with relevant accounting and reporting standards and, where appropriate (without limiting the Committee's powers to approve accounting policies and settle interpretation of accounting policies and standards), referring material changes to the Board;
4. review the process implemented to support the certifications to be provided by the Chief Executive Officer and the Chief Financial Officer in respect of the Company's financial reports and the related certifications in respect of risk management and internal control, and ensure appropriate disclosure of such processes (where required) in materials released on ASX;
5. review all financial statements and reports which are required to be published and/or signed by Directors prior to approval by the Board. The review of financial statements and reports should include a discussion with the external auditor of accounting issues, accounting policies adopted and the proposed audit (or review) report. Subject always to ultimate Board approval of the published financial statements, the Committee has authority to approve accounting issues raised, review and interpret accounting policies adopted and the proposed audit (or review) report;
6. review the Annual Report, Directors' Report (excluding the Remuneration Report) and any other report of management which is required by law to accompany any published financial statements (to the extent that such a report discusses the financial position or performance) before approval by the Board, including assessing whether the Company's external reporting is consistent with the Committee members' information and knowledge, and is adequate for shareholder needs;
7. review any statements or commentary to be released to ASX to accompany the half year or annual financial statements;
8. if requested by the Board, review any statements or commentary to be released to ASX as part of the quarterly reporting (if any);
9. ensure that procedures are in place which are designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management; and
10. review and monitor related party transactions and assess their propriety.

G. Audit

In the area of audit, the responsibilities of the Committee are to:

1. make recommendations to the Board on the appointment, reappointment or replacement of the head of internal audit (if any);
2. review and oversee the scope and adequacy of the internal audit work plan;
3. review and monitor the independence, objectivity and performance of the internal audit function;
4. make recommendations to the Board on the appointment, reappointment or replacement of the external auditor;

1. review and agree with the external auditor the terms of engagement for the external auditor, including fees;
2. oversee arrangements relating to the rotation of the audit engagement partner;
3. establish the scope of the audit for Board approval;
4. monitor the effectiveness of the external audit, placing emphasis on areas where the Committee or the external auditor believes special attention is necessary;
5. review the performance and effectiveness of the external auditor after the completion of each end-of-year audit. In evaluating the external auditor, the Committee will consider:
 - a. the comprehensiveness of the external audit plan;
 - b. the timeliness and quality of communications promised under the plan and those delivered during the audit; the independence of the external auditor;
 - c. the competency and industry knowledge of the external audit staff; and
 - d. the adequacy and availability of resources to achieve the scope of work outlined in the external audit plan;
6. develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy; and
7. provide advice and an Annual Report to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's Annual Report.

H. Education

1. The Company is responsible for providing new members of the Committee with appropriate orientation, briefings and educational opportunities, and the Company is also responsible for providing the Committee with educational resources related to any of its duties, and such other materials as may be requested by the Committee.
2. The Company will assist the Committee in maintaining appropriate financial literacy.
3. Members of the Committee will advise the Company of topics or issues of interest or concern that may be relevant to their education.

I. Committee Performance

1. The Board will:
 - a. review the membership of the Committee at least annually to ensure an appropriate balance of expertise, skills and experience; and
 - b. make an evaluation of the performance of the Committee at least once every two years to determine whether it is functioning effectively by reference to current best practice.