



Big River Gold Limited

Corporate Governance Policies

Audit Committee Charter

1. Composition of the Audit Committee

The Board of Big River Gold Limited (**Company**) shall appoint the members of the Audit Committee and review the composition of the Audit Committee at least annually. The Audit Committee will comprise:

- (a) at least three members, all of whom are financially literate (that is, able to read and understand financial statements);
- (b) only non-executive directors of the Board, a majority of whom should, if practical, be independent;
- (c) an independent chairman appointed by the Board and who is not the Chairman of the Board; and
- (d) at least one member with relevant qualifications and experience (that is, a qualified accountant or other finance professional with experience of financial and accounting matters).

Some members of the Audit Committee should have an understanding of the industry in which the Company operates.

From time to time, non Audit Committee members may be invited to attend Audit Committee meetings, if it is considered appropriate.

2. Role of the Audit Committee

The Audit Committee's role is to:

- (a) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- (b) review the Company's internal financial control system and, unless expressly addressed by a separate risk committee, risk management systems;
- (c) monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- (d) monitor and review compliance with the Company's Code of Conduct; and
- (e) perform such other functions as assigned by law or the Company's Constitution.

3. Meetings

- (a) The Audit Committee shall meet at least half yearly, with further meetings on an as required basis.
- (b) The minimum quorum for an Audit Committee meeting is two members.
- (c) The secretary of the Audit Committee is the Company Secretary.

- (d) Minutes of each Audit Committee meeting are to be kept and should ordinarily be included in the papers for the next Board meeting.
- (e) Audit Committee meetings are to be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Authority and Resources

- (a) The Audit Committee may seek provision of educational information on accounting policies and other financial topics relevant to the Company to assist in fulfilling their duties.
- (b) The Audit Committee may seek explanations and additional information from senior management and employees of the Company. Further, the Audit Committee may seek explanations and additional information from the Company's external auditors, without management present, when required.
- (c) When considered necessary or appropriate, the Audit Committee may conduct or authorise investigations and may retain independent legal, accounting or other advisors at the Company's expense.

5. Reporting to the Board and Shareholders

The Audit Committee should report to the Board, at least annually, on all matters relevant to the Audit Committee's role and responsibilities, including the following matters:

- (a) assessment of whether external reporting is consistent with the Audit Committee members' information and knowledge and is adequate for shareholder needs;
- (b) assessment of the management processes supporting external reporting;
- (c) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (d) recommendations for the appointment or, if necessary, the removal of the external auditor;
- (e) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Audit Committee is satisfied that provision of those services has not compromised the auditor's independence;
- (f) assessment of the performance and objectivity of the internal audit function;
- (g) the results of the Audit Committee's review of risk management and internal control systems; and
- (h) recommendations for the appointment, or if necessary, the dismissal of the head of internal audit.

The Chair of the Audit Committee is to be present at the annual general meeting to answer questions, through the Chair of the Board.

6. Responsibilities

Annual responsibilities of the Audit Committee are as set out in the Audit Committee Charter – Annual Action Points contained in Schedule 1.

Schedule 1 – Audit Committee Charter – Annual Action Points

1. Financial Reporting and Internal Controls

- (a) Review half-year, annual and, if applicable, quarterly financial statements.
- (b) Assess management's selection of accounting policies and principles.
- (c) Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with the Audit Committee members' information and knowledge.
- (d) Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised).
- (e) Assess if the external auditor's report is adequate for shareholder needs.

2. Annual meeting with External Auditor

- (a) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
- (b) Discuss the adequacy and effectiveness of the Company's internal controls.
- (c) Discuss any significant findings and recommendations of the external auditor and management's response thereto.
- (d) Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information.

3. External Auditor

- (a) Review the Company's procedures regarding the external auditor.
- (b) Make recommendations to the Board on the appointment, re-appointment or replacement of the external auditor and the terms on which the external auditor is engaged.
- (c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
- (d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.
- (e) Assess the overall performance of the external auditor.

4. Internal Communications and Reporting

Provide the report described in clause 5 of the Audit Committee Charter.

5. Other

- (a) Verify the composition of the Audit Committee is in accordance with the Audit Committee Charter.

- (b) Review the independence of each Audit Committee member based on the Company's policy on assessing the independence of Directors in the Board Charter.
- (c) Review and assess the adequacy of the Audit Committee Charter and Action Points and recommend to the Board for its approval any modifications to this Charter as considered necessary.
- (d) Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's Code of Conduct.