GOLDEN CROSS RESOURCES LTD

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Audit Committee Charter

1. *Purpose of Charter*

The Audit Committee has been established to assist the board of Golden Cross Resources Ltd ("Board") in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure, risk management systems (financial and non-financial) and the audit process.

This charter governs the operations of the Audit Committee. It sets out the Audit Committee's role and responsibilities, composition, structure and membership requirements.

The Audit Committee will review and reassess the charter at least annually and, on each occasion, will obtain the approval of the Board for the charter.

2. *Membership*

(a) The Audit Committee will be members of, and appointed by, the Board. It will be of sufficient size, independence and technical expertise to discharge its mandate effectively. The Audit Committee will consist of:

- one independent director; and
- an independent Chairman who will be nominated by the Board from time to time but who will not be the Chairman of the Board.

(b) All Audit Committee members will be financially literate (able to read and understand financial statements). At least one member will have accounting and/or related financial management expertise (a qualified accountant or other professional with experience of financial and accounting matters) and all members will have an understanding of the mining exploration industry.

(c) The terms of appointment are that members may resign upon reasonable notice in writing to the Audit Committee Chairman. A member may from time to time be immediately removed by notice in writing by the Audit Committee Chairman. The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Audit Committee.

(d) The secretary of the Audit Committee will be the Company Secretary or such other person as nominated by the Board.

3. *Purpose*

The purpose of the Audit Committee will be to:

(a) review and report to the Board on the annual report and financial statements;

(b) provide assurance to the Board that it is receiving adequate, up to date and reliable information concerning the financial position of the Company; and

(c) assist the Board in reviewing the effectiveness of the Company's internal control environment covering:

- effectiveness and efficiency of operations
- reliability of financial reporting, and
- compliance with applicable laws and regulations

4. *Meetings*

(a) The Audit Committee will meet often enough to undertake its role effectively, being at least four times each year.

(b) The Audit Committee will meet in private session at least annually to assess management's effectiveness.

(c) A quorum for any meeting will be two members, both independent Directors.

(d) Special meetings may be convened as required. The Chairman will call a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, by the auditors or by the Chairman of the Board.

(e) The Audit Committee may invite such other persons (eg. executives, MD, Company Secretary, external parties) to its meetings, as it deems necessary (whether on a permanent or ad hoc basis).

(f) The proceedings of all meetings will be minuted and these will be included in the papers for the next Board meeting after each Audit Committee meeting.

5. *Authority*

The Board authorises the Audit Committee, within the scope of its responsibilities, to:

- investigate any matter brought to its attention with full access to all books, records and facilities;
- seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Audit Committee) or external parties;
- obtain outside accounting, legal, compliance, risk management or other professional advice as it determines necessary to carry out its duties; and
- ensure the attendance of Company officers at meetings as it thinks appropriate.

6. *Duties and Responsibilities*

6.1 Understanding the Company's Business

The Audit Committee will ensure it understands the Company's structure, business and controls to ensure that it can adequately assess the significant risks faced by the Company.

6.2 Financial Reporting

The Audit Committee's primary responsibility is to oversee the Company's financial reporting process on behalf of the Board and to report the results of its activities to the Board. The Audit Committee will:

(a) review the adequacy of the measures in place to ensure that the Company's financial statements are accurate and complete and make any necessary recommendations to the Board;

(b) review significant accounting policies adopted by the Company to ensure compliance with Australian Accounting Standards and generally accepted accounting principles;

(c) consider financial matters relevant to reporting in a timely manner; and

(d) review other financial information distributed externally as required.

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7. *Reporting to the Board*

(a) The Audit Committee will regularly report to the Board on all matters relevant to the Audit Committee's role and responsibilities.

(b) The Chairman will report and as appropriate make recommendations to the Board after each meeting of the Audit Committee on matters dealt with by the Audit Committee.

(c) As and when appropriate, the Audit Committee will seek direction and guidance from the Board on audit, risk management and compliance matters.

(d) The Audit Committee will ensure that the Board is made aware in a timely manner of audit, financial reporting, internal control, risk management and compliance matters that may significantly impact upon the Company.

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8. *Assessment of accounting, financial and internal controls*

(a) Periodically, the Audit Committee will meet separately with management and the auditors to discuss:

(i) the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs; and

(ii) issues and concerns warranting Audit Committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement.

(b) The Audit Committee will provide sufficient opportunity for the auditors to meet privately with the members of the Audit Committee. The Audit Committee will review with the auditor any audit problems or difficulties and management's response.

(c) The Audit Committee will receive regular reports from the auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

(d) The Audit Committee will obtain representation from the Managing Director and Company Secretary on the financial statements presented to the committee.

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9. *Appointment of auditors and scope of audit*

(a) The Audit Committee (including by its delegate) will make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the auditors and resolution of disagreements between management and the auditor regarding financial reporting.

(b) The Audit Committee (including by its delegate) will discuss with the auditors the overall scope of the audit, including identified risk areas and any additional agreed-upon procedures.

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10. *Pre-approval of audit and non-audit services provided by auditors*

(a) The Audit Committee will pre-approve all audit and non-audit services provided by the auditors and will not engage the auditors to perform any non-audit/assurance services that may impair or appear to impair the auditor's judgement or independence in respect of the Company.

(b) The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

11. *Assessment of the audit*

(a) The Audit Committee will review and assess the independence of the auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the auditor's judgement or independence in respect of the Company.

(b) The Audit Committee will report to the Board as to whether the Audit Committee is satisfied the provision of non-audit services is compatible with auditor independence.

12. *Compliance with Laws and Regulations*

(a) The Audit Committee will gain an understanding of the current areas of greatest compliance risk (financial and non-financial) and review these areas on a regular basis.

(b) The Audit Committee will obtain regular updates from management, the Company's legal counsel, auditors and any external parties as it thinks fit regarding audit, risk management and compliance matters. It will regularly review existing compliance systems and consider any deficiencies in compliance risk measures.

(c) The Audit Committee will review any legal matters that could significantly impact the Company's compliance and risk management systems, and any significant compliance and reporting issues, including any recent internal regulatory compliance reviews and reports.

(d) The Audit Committee will review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance.

(e) The Audit Committee will be satisfied that all regulatory compliance matters have been considered in the preparation of the Company's official documents.

(f) The Audit Committee will review the findings of any examinations by regulatory agencies and oversee all liaison activities with regulators.

13. *Releases and Complaints*

(a) The Audit Committee will review and discuss the financial component of media releases, ASX announcements and any other information provided to analysts.

(b) The Audit Committee will review all representation letters signed by management to ensure that the information provided is complete and appropriate.

(c) The Audit Committee will establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or audit matters.

(d) The Audit Committee will review corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duties.

14. *Audit Committee performance*

(a) The Audit Committee will perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

(b) The Board will evaluate the performance of the Audit Committee as appropriate.

Adopted by the Board of Directors on 25 September 2018

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Ken Hellsten
Chairman