

1. INTRODUCTION

The Board of Directors of West African Resources Limited (**Company**) (**Board**) has established an Audit Committee to assist the Board to fulfil its responsibilities in relation to the Company's accounting and financial reporting practices (**Committee**). This is the charter for the Committee which governs the procedures of the Committee and defines the Committee's function, composition, mode of operation, authority and responsibilities. References in this charter to the **Group** mean the Company and its controlled subsidiaries.

2. OBJECTIVE AND AUTHORITY

- (a) The objective of the Committee is to assist the Board with monitoring and reviewing any matters of significance affecting financial reporting and compliance so the Board can fulfil its responsibilities in relation to the Company's accounting and financial reporting practices.
- (b) The Committee is accountable to the Board and shall only act within the authority delegated to the Committee by the Board.
- (c) The Committee will not perform any management functions or assume any management responsibilities.

3. MEMBERSHIP

The Board will appoint the members of the Committee and the chair of the Committee (**Chair**), and may remove and replace members of the Committee and the Chair at its sole discretion. In doing so, the Board may consult with the Nomination Committee to enable the following Committee composition:

- (a) all of the members being non-executive directors of the Company;
- (b) three (3) or more members, where the Company has three (3) or more non-executive directors;
- (c) all members being able to read and understand financial statements;
- (d) the Chair being an independent non-executive director of the Company; and
- (e) the Chair having leadership experience and a strong finance, accounting or business background.

4. MEETINGS

4.1 Frequency of meetings

- (a) The Chair will aim to convene at least two (2) meetings of the Committee each year and any additional meetings that the Chair considers necessary or appropriate to carry out the Committee's responsibilities.
- (b) Other supplemental meetings may be held from time to time as determined by the Committee.

- (c) The Chair may decide to call a supplemental meeting of the Committee upon request by:
 - (i) a member of the Committee;
 - (ii) a member of the Company's executive management; or
 - (iii) the Company's independent auditor.

4.2 Meeting notices, minutes and administration

- (a) The Company Secretary of the Company, or a delegate of the Company Secretary, will act as the secretary of the Committee.
- (b) Meetings, meeting notices, meeting minutes and other administrative duties related to the Committee will be organised by the Committee's secretary, in accordance with any directions from the Chair.
- (c) A notice of meeting shall be sent to each member of the Committee prior to the date of the meeting.
- (d) Each notice of meeting will aim to:
 - (i) set out the date, time and venue of the meeting; and
 - (ii) be accompanied by an agenda for the meeting and relevant supporting papers.
- (e) The external auditors, the directors of the Company who are not members of the Committee, the Chief Executive Officer, Chief Financial Officer, Company Secretary and other senior executives of the Company may be invited to Committee meetings at the discretion of the Committee.
- (f) Other suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any matter.
- (g) Minutes of the proceedings and resolutions of meetings of the Committee shall be distributed to all members of the Committee and the chair of the Board, after the Chair has given preliminary approval of those minutes.

4.3 Proceedings at meetings

- (a) Two (2) Committee members, one of which must be an independent non-executive director of the Company, present in person or via telecommunication facilities shall constitute a quorum for a Committee meeting.
- (b) Where the Chair is not present the other Committee members present at the meeting shall elect one of them, who must be an independent non-executive director of the Company, to chair that meeting.
- (c) A meeting of the Committee may be conducted by electronic communication and/or one or more members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the Committee meeting.

- (d) Each member of the Committee has one (1) vote on a matter before the Committee, and a majority of the votes cast on a proposed resolution is sufficient for a recommendation be made to the Board in terms of that resolution.
- (e) In the case of a tied vote the Chair may not cast a deciding vote in addition to their deliberative vote even if the matter being voted on fails.
- (f) A written resolution of members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each member has received notice of the matter to be decided upon and the majority of the members are in favour of the matter. A written resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the written resolution.
- (g) No attendee who is not a member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum for the meeting.

5. DUTIES AND RESPONSIBILITIES

5.1 Financial Statements and other related information

The Committee's responsibilities to the Board are:

- (a) Reviewing, and recommending to the Board for approval, the draft financial statements and other related information. The review process will include management and the external auditor and will assess the integrity of the financial statements and whether the draft financial statements provide a true and fair view of, the financial position and performance of the Group.
- (b) Reviewing the appropriateness of the significant accounting policies and practices of the Group, including management's interpretation of accounting standards, significant judgements and treatment of unusual or complex transactions. This includes considering and recommending for approval by the Board any material changes proposed to the Group's accounting interpretations and the Group's materiality and adjustment thresholds.
- (c) Reviewing drafts of the declarations by the chief executive officer (**CEO**) and chief financial officer (**CFO**) which are to be provided to the Board and the Company's external auditor relating to the full year and half year financial statements.
- (d) Reviewing and recommending to the Board for approval:
 - (i) the Directors' Report (which forms part of the Company's Annual Report) which includes the operating and financial review and the Remuneration Report; and
 - (ii) the AASB S2 climate-related disclosures contained in the Annual Report.

5.2 Internal controls

The Committee's responsibilities to the Board are:

- (a) Reviewing the internal controls implemented by management for safeguarding the integrity of the Group's financial statements and other non-audited periodic disclosures, including compliance with applicable accounting standards and legal requirements. The Committee will

meet with the Company's external auditors to discuss the Company's control environment and their suggestions for improvement.

- (b) Reviewing policies and procedures for reporting, actioning and documenting breaches of laws, including fraud and theft.

5.3 External audit

The Committee's responsibilities to the Board are:

- (a) Evaluating and recommending to the Board the appointment, reappointment and removal of the Company's external auditors and the rotation of the audit engagement partner.
- (b) Reviewing and assessing key areas relating to the external audit of the Company, including:
 - (i) whether any of the following (or any other factors) are relevant and impair or appear to impair the external auditor's judgement or independence in respect of the Company:
 - (A) any relationships with the Company or any other entity, including the various relationships between the Company and the external auditor;
 - (B) the economic importance of the Company (in terms of fees paid to the external auditor for the audit as well as fees paid to the external auditor for the provision of non-audit services (**NAS**)); and
 - (C) the provision of any NAS by the external auditor;
 - (ii) any prospect of auditor replacement and/or tender suggested by management;
 - (iii) the terms of engagement for the external auditor at the start of each audit; and
 - (iv) the scope of the external audit including identified risk areas and any additional agreed-upon procedures.
- (c) Monitoring the activities and performance of the external auditor by:
 - (i) liaising with the auditor to ensure that each audit is conducted effectively;
 - (ii) reviewing the auditor's assessment of financial statement materiality;
 - (iii) appraising the quality of audit work;
 - (iv) ensuring that no management restrictions or limitations are placed on the auditor; and
 - (v) asking the external auditor for an independent judgment of the appropriateness of the accounting principles used and the clarity of the financial disclosure used or proposed to be used by the Company.
- (d) Reviewing the external audit findings, including in respect of any significant deficiencies or weaknesses in controls, and management's responses thereto.
- (e) Reviewing the external auditor's audit fee, and being satisfied that an effective, comprehensive and complete audit can be conducted for that fee.
- (f) Reviewing, with the external auditor, any significant disagreements between the external auditor and management, irrespective of whether they have been resolved.

- (g) Reviewing all representation letters signed by management and being satisfied that the information provided is complete and appropriate.
- (h) Meeting with the external auditor without the presence of management at least annually.

6. RESOURCES AND INFORMATION

- (a) Where the Committee considers it necessary or appropriate in order to fulfil its responsibilities, the Committee will be entitled to:
 - (i) unrestricted access to liaise and communicate with the directors, management, employees, internal auditors and external auditors and other external consultants and advisers (including legal) of the Company;
 - (ii) select and engage an external adviser or external service provider that is independent; and
 - (iii) reasonable access to the information, including reports, books and records of the Company and to the Company's property, facilities and other resources as may be necessary to discharge its duties and responsibilities.
- (b) The Committee will follow any relevant Board approved process in discharging any of its duties and responsibilities.

7. CONDUCT OF COMMITTEE MEMBERS

Each member of the Committee is expected to:

- (a) act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- (b) avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict;
- (c) disclose any information they may be aware of that is material to the Company and of which the Board is not aware, except and to the extent that such member is bound by ethical or contractual obligations of non-disclosure;
- (d) keep all information learned by them, in their capacity as a Committee member strictly confidential;
- (e) exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Company, and having their general knowledge, skill, and experience; and
- (f) have an appropriate understanding of all applicable laws, regulations, ASX Listing Rules and codes to the extent they are relevant to the Company and its businesses, to ensure compliance with the same in relation to those matters that are within the responsibility of the Committee.