

# REY RESOURCES LIMITED

ACN: 108 003 890

## AUDIT COMMITTEE CHARTER

The Board of Directors has established an Audit Committee to review:

- the Company's accounting policies;
- the content of financial statements;
- controls applied to the Company's activities;
- risk management;
- compliance;
- the scope, conduct, effectiveness and independence, selection and rotation of the external audit; and
- communications with stakeholders

### **Composition**

The Audit Committee is composed, where practicable, of at least two non-executive directors which cannot include the Chairman of the Board. The Chairman of the Audit Committee must also be an independent director of the full board. Members of the Audit Committee are appointed by the Board after taking into account the experience needed for the duties of the Committee.

### **Purpose**

The Committee provides assistance to the Board in fulfilling its corporate governance and responsibilities in relation to the Company's financial reporting, internal controls, risk management systems, and audit functions. The Committee maintains communications with the auditors and management and in discharging its role the Committee is empowered to investigate any matter brought to its attention.

## Functions

- **Public Reporting**  
Review of Annual Reports, Half- Yearly Reports and other reports as appropriate.
- **Accounting Principles and Practices**  
Review of the accounting principles and practices and consider any proposed changes.
- **Internal Controls**  
Review of the Company's internal controls relating to accounting activities including any weaknesses and breaches.
- **External Audit**  
Oversee the relationship with the Company's external auditors. The Committee also reviews the scope of the audit and other audit related tax compliance services. The Committee ensures that the external auditor partners are rotated every five years. The Committee undertakes the selection and appointment of auditors and ensures advice on the fees paid to external auditors is communicated to the full Board.
- **Risk Management Issues**  
Review the Company's risk management policies and practices as they relate to investment and financial risks.
- **Compliance**  
Review the Company's policies and practices in meeting its regulatory compliance obligations, including continuous disclosure requirements to the ASX, reporting to ASIC and the ATO.
- **Corporate Governance**  
Review the Company's corporate governance policies and practices in relation to audit issues.
- **Financial Management Oversight**  
Discuss with the auditors the effectiveness of the Company's financial management in meeting the Company's requirements in the areas of Audit Committee oversight.

## **Frequency of Meetings**

The Committee is to meet at least twice a year at times to ensure that the Committee can review and approve the public reporting obligations, particularly the Half Yearly Report, the preliminary final report and Annual Report, and other significant ASX reporting.