
Audit Committee Charter

Silver Lake Resources Limited ABN 38 108 779 782 (Company)

1. Composition

The Audit Committee (**Committee**) must comprise a minimum of three members, all of whom are non-executive directors and the majority of whom are independent directors. The Committee Chair must be an independent director who is not the Chairman of the Board.

All members of the Committee should be financially literate.

The Board will appoint members to, and remove members from, the Committee by resolution. Members may withdraw from membership by written notification to the Chairman of the Board.

The role and functions of the Committee are set out in this Charter.

2. Administration

It is envisioned that the Committee will meet at least twice a year, however the Committee shall meet as often as its members deem necessary in order to perform its functions. The quorum for Committee meetings is 2 members.

Any Committee member may, and the Company Secretary must upon request from any Committee member, convene a meeting of the Committee by giving at least 48 hours written notice to each member, or such shorter period agreed by each member. Other directors who are not Committee members have the right to attend Committee meetings.

The Company Secretary (or a delegate approved by the Committee Chair) must attend all Committee meetings as minute secretary.

Minutes of all meetings of the Committee are to be kept and tabled at each subsequent Board meeting. The Committee Chair will also report the findings and recommendations of each Committee meeting at the subsequent Board meeting.

The Committee may invite other persons to attend all or part of any meeting which it considers appropriate, including employees, the Company's auditors and / or other external advisors.

Members of the Board may attend meetings of the Committee.

3. Authority

In performing its functions, the Committee is authorised to:

- consult with and seek explanations or additional information from any employee or director of the Company;
- obtain, at the Company's expense, financial, legal or other professional advice from external consultants or specialists as it considers necessary to assist the Committee in meeting its responsibilities; and
- require the attendance of any employee of the Company at a Committee meeting.

4. Role and functions

The Committee's overarching responsibility is to provide an independent and objective review of financial and other information prepared by management or provided to shareholders, ASX or ASIC and to monitor and review, on behalf of the Board, the effectiveness of the control environment of the Company and its related bodies corporate (as defined in the Corporations Act) (the **Group**) in the areas of balance sheet risk, relevant legal and regulatory compliance and financial reporting.

The Committee's specific responsibilities include:

The External Audit

- Reviewing the appointment and selection of the external auditor and the rotation of the external audit engagement partners at least every five years and making recommendations to the Board in relation to any proposed change of external auditor or audit engagement partners.
- Reviewing and agreeing the external auditor's fee and ensuring that a comprehensive and complete audit can be conducted for the agreed fee.
- Evaluating and reporting to the Board on the performance of the external auditor and, where necessary, making recommendations to the Board on the appointment or discharge of auditors.
- Evaluating and reporting to the Board on the auditor's independence taking into account factors which may impair the auditor's judgement in audit matters related to the Company, including:
 - the provision of non-audit services by the auditor;
 - whether there are any former employees of the auditor in senior positions in the Company; and
 - any other relationships with the Company or any other party.
- Reviewing the auditor's findings and management's cooperation with and responsiveness to any matters involving disagreement with the auditors, whether resolved or otherwise, and resolving any matters which are not agreed between the auditor and management.

Internal Control Systems for Financial Reporting and Risk Management

- Monitoring and evaluating the adequacy and effectiveness of the Company's internal control systems and processes for financial reporting and for the management of the Company's financial risk management framework.

- Reviewing and monitoring the effectiveness of the Company's financial risk management systems in respect of both the identification and management of risks by reviewing reports of management and the external audit.
- Reviewing and monitoring the adequacy of the Company's systems to monitor and ensure compliance with laws, regulations and accounting standards that may impact its financial statements.
- Reviewing and monitoring the Company's systems for the reporting of all actual and suspected breaches of laws, including fraud and theft.
- Reviewing and monitoring the Company's systems for the control and reporting of unusual and/or high risk transactions, including levels of authority.
- Monitoring the ability of the Company to fund its activities, having regard to current funding arrangements and the Company's outlook as to solvency.
- Reviewing policies relating to financial risk management, including hedging of interest rate risk, foreign currency exchange risk and metal price risk.

External reporting

- Reviewing and monitoring the adequacy of the Company's systems relating to financial reporting and controls, including compliance with laws, accounting standards, regulations and ethical guidelines.
- Reviewing, assessing and understanding any significant accounting and reporting issues, including complex or unusual transactions, estimates and judgements, and recent professional and regulatory pronouncements, examining management's methods and processing in respect of such issues, and reasoning for the use of those methods and processes.
- Ensuring that any necessary compliance reports, statements and representations in relation to the Company's financial reporting and controls are provided by management in accordance with the internal control and other reporting procedures.
- Reviewing with management, and the external auditor on completion of the audit, the draft half-year and annual financial statements, having regard to external auditor reports and applicable laws, regulations and other requirements relating to external reporting by the Company.
- Ensuring that any required amendments to the draft half-year and annual financial statements are effected as necessary, and recommending to the Board whether the financial and other statements should be signed.
- Reviewing the results of the audit, with management and the external auditor, including:
 - any difficulties encountered, and
 - all matters reported to the Committee under generally accepted auditing standards.

7 Review

The Board will, at least once in each year, review the membership of the Committee and this Charter. The Committee may make recommendations to the Board in relation to the Committee's membership, role, functions and revisions to this Charter.

Adopted by the Board

20 September 2015