



CYPRIUM METALS LIMITED

AUDIT COMMITTEE CHARTER

Objectives

1. To provide assurances regarding the quality and reliability of financial information used by the Board of Directors and financial information issued by the Company.
2. To assist the Board of Directors in discharging their responsibility for reported financial information.

Constitution

3. The Audit Committee shall be constituted by at least two (2) persons and if sufficient Board members, three (3) persons, all of which all shall be Non-Executive Directors ("NED's") as nominated by the Board.
4. The Audit Committee may be abolished or redesignated from time to time by resolution adopted by a majority of the Board.

Quorum

5. The quorum of the Audit Committee shall be two (2) who may meet in person or by conference telephone or other electronic means.
6. In the absence or disqualification of a member of the Audit Committee, the members present and not disqualified from voting may unanimously appoint another NED member of the Board to act at the meeting in the place of the absent or disqualified member.

Chairman

7. The Audit Committee shall choose a Chairman from within their number who is an independent NED and not Chair of the Board, and appoint a Secretary of the Audit Committee.

Frequency and Conduct of Meetings

8. The Audit Committee shall meet as required prior to the release of any financial information outside of the Company or prior to the adoption by the Board of financial statements or reports. The Audit Committee shall meet at such times and places as it determines, and shall conduct its proceedings in the manner set out for the Board in the Articles of Association except as provided in this Charter.
9. The Audit Committee shall keep minutes of its proceedings, and report them from time to time to the Board at the first meeting of the board following any such proceedings.

Terms of Reference

The Audit Committee shall report and where necessary make proposals or recommendations for the Board's consideration and assist the Board:-

10. Financial Reporting

- (a) To discharge its responsibilities in respect of the Company's financial statements including the prior review of all reporting of financial information to the public;
- (b) In the nomination for appointment and approval by the board of external auditors and the appropriate audit fees;
- (c) To review the audit processes undertaken by external auditors and ascertain the extent to which the planned audit scope can be relied upon to detect weakness in internal control, fraud or other illegal acts;
- (d) To ensure management is implementing fundamental accounting practices in accordance with appropriate accounting standards;
- (e) To ensure that appropriate internal controls are introduced and maintained over the Company's accounting and financial reporting systems;
- (f) To ensure that Board policies and strategies are being observed by the Company;
- (g) To support and maintain a relationship with external auditors which provides the external auditor with all necessary information and disclosure and to maintain the independence of the external auditors;
- (h) To review any external auditors recommendations and ensure that appropriate action is taken by management, and if necessary the Board, where necessary;
- (i) To ensure management is adhering to the requirements of the external bodies e.g. the ASC & ASX company and listing requirements in respect of financial statements and reporting;
- (j) To ensure that the Company has appropriate systems in place to record financial transactions fairly and accurately;
- (k) To consider, where necessary, changes to accounting practices and the subsequent effects on financial statements;
- (l) To review any accruals, provisions or estimates which may significantly affect the financial statements;
- (m) To ensure full and accurate disclosure of related party transactions;
- (n) To ensure full and accurate disclosure of any litigation, claim or other contingency, including tax assessments, which could have a material effect on the financial position or operating results of the Company;
- (o) To review policies and practices which deal with regular examination of officer's expenses, accounting for advances made and the use of Company assets; and
- (p) To prepare and comply with a Financial Reporting Calendar of annual events.

11. Internal financial controls and risk management systems

The Committee shall:

- (a) review and keep under review the effectiveness of the Company's internal financial controls and risk management systems that identify, assess, manage and monitor financial risks;
- (b) review and approve the statements to be included in the Annual Report concerning internal financial controls and risk management, including the assessment of principal risks and emerging risks, and the viability statement;
- (c) engage with management to ensure that the Company has effective internal financial controls and risk management systems including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting and risk management function and their training programs and budget;
- (d) consider any findings of major investigations of internal financial control matters as delegated by the Board or on its own initiative and management's response to any such investigations or internal control matters;
- (e) advise the Board on the Company's overall financial risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments published by authoritative and regulatory sources that may be relevant for the Company's financial risk policies; and
- (f) oversee and advise the Board on the current financial risk exposures of the Company and future risk strategy;

In relation to risk assessments the Committee shall:

- (a) keep under review the Company's financial risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used; and
- (b) review regularly and approve the parameters used in these measures and the methodology adopted.

Proceedings of The Committee

12. The Audit Committee may:-

- (a) convene and hold meetings in relation to the carrying out of its terms of reference;
- (b) require the Company Secretary and the senior financial executive of or consultant to the Company to attend its meetings and report to the committee on behalf of the management of the Company;
- (c) invite external auditors to attend Audit Committee meetings and to address the Committee separately from management if required;
- (d) receive, review and evaluate all correspondence with any person in relation to its term of reference;
- (e) direct the Secretary to initiate correspondence with any person in relation to its terms of reference; and
- (f) make a recommendation to the Board with respect to its terms of reference.