

AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

ROLE

The Burley Minerals Ltd (“Burley” or “the Company”) Audit & Risk Management Committee (the Committee) will assist the Board to meet its oversight responsibilities in relation to the Company’s financial reporting and external audit functions, internal control structure and identification, management and reporting of risk. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, the external auditors, and the management of the Company.

DUTIES

The duties of the Committee include: -

Internal Control and Risk Management

The Committee shall keep under review the effectiveness of the Company’s financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks.

It is the responsibility of the CFO/Company Secretary (and other officers of the Company) to ensure that the Company operates within a sound structure of internal controls and procedures and within an approved Risk Management framework as adopted by this Committee.

External Audit

- (a) The Committee shall be responsible for the retention, compensation, oversight, appointment and re-appointment of the Company’s external auditors including resolution of disagreements between management and the auditor regarding financial reporting, and shall ensure that key partners within the appointed firm are rotated from time to time in accordance with applicable laws and the relevant Company policies.
- (b) The Committee shall meet with the external auditors at least twice each year, once at the audit planning stage, where the scope of the audit will be considered and the terms of the annual audit engagement approved, and once post audit at the reporting stage, and shall ensure that any auditor’s management letters and management’s responses are reviewed.
- (c) The Committee shall keep under review the Company’s relationship with the external auditors, including (but not limited to):
 - Their independence and objectivity
 - The audit fees
 - The nature and quantum of non-audit services provided by the external auditor, including the amount of fees paid for such services, and
- (d) Compliance with accounting standards and any proposals that the external auditors have made vis-à-vis the Company’s internal controls & procedures.

Internal Audit

The Company is not currently of a size that supports or warrants an Internal Audit function. It is the opinion of the Board that the cost of establishing and maintaining such a function outweighs the potential benefits that may be obtained from one. The Committee will however, review the need for an Internal Audit function on a regular basis.

Financial Statements

- (a) The Committee shall keep under review the consistency of accounting policies both on a year-to-year basis and across the Company/Group.
- (b) The Committee shall review and challenge where necessary the Company's financial statements taking into account:
 - Critical accounting policies and practices and any changes in them
 - Decisions requiring a major element of judgement
 - The extent to which the financial statements are affected by any unusual transactions
 - The clarity of disclosures
 - Significant adjustments resulting from the audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and other legal requirements, and
 - The CFO statements to the Board firstly, as to the truth & fairness of the financial statements and their compliance with relevant accounting standards and secondly, as to whether the statements are founded on a reliable system of risk management and internal control.

Reporting Responsibilities

- (a) The Chairman of the Committee shall report to the Board, at the next following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee that require Board endorsement or approval.
- (b) The Committee shall report to the Board annually on all matters relevant to the performance of its role and the discharge of its duties during the period, having regard to ASX Corporate Governance Council

Other Matters

- (a) The Committee shall be responsible for the co-ordination of the external auditors and for reviewing and approving the annual and forward integrated audit plans;
- (b) The Committee shall oversee any investigation of activities, which are within its terms of reference and act as a court of last resort including;
 - i. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls on auditing matters;
 - ii. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (c) The Committee shall, on a regular basis, review its own performance and Charter to ensure that it is operating effectively.

COMPOSITION

At present the Audit Committee function is undertaken by the full Board in accordance with the policies and procedures outlined in this Charter. As the Company's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate nomination committee.

The Committee shall be appointed by the Board and shall be composed of: -

- (a) At least three non-executive Directors, where possible, the majority of which are independent.
- (b) A Chairman, also appointed by the Board, who is one of those independent non-executive Directors and who is not the Chairman of the Board
- (c) Members who are financially literate, with at least one Director possessing accounting or related financial expertise and qualifications, and
- (d) At least one Director who has experience in and an understanding of the industry in which the business operates

ATTENDANCE AT MEETINGS

The Chairman of the Board, if not a member of the Committee, may attend meetings, ex officio.

The Chief Executive Officer, Chief Financial Officer, the Company Secretary or his/her nominee (acting as meeting secretary) and representative(s) of the external auditors may attend meetings by invitation.

MEETINGS

- The Committee will hold at least two meetings a year (two are specifically held to review the half year and annual accounts) and such additional meetings as the Chairman of the Committee shall decide in order for the Committee to fulfil its duties.
- An agenda and any supporting documentation will be circulated to members of the Committee in advance of meetings. The Chairman of the Committee will report any significant matters to the subsequent meeting of the Board of Directors.
- The Company Secretary will be responsible for keeping minutes of the meeting of the Committee and circulating them to members.
- A quorum shall consist of a majority of Committee members.

AUTHORITY

The Committee has the right: -

- (a) To seek any information it requires from any employee of the Company and from the external auditor in order to perform its duties
- (b) To obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter
- (c) To call any member of staff to be questioned at a meeting of the Committee as and when required
- (d) To approve accounting policies and procedures and auditing methodology. Issues of material importance however will be referred to the Board with the Committee's recommendation.