

1 ROLE AND PURPOSE

The purpose of the Gold Road Resources Limited (**Gold Road** or the **Company**) Audit and Risk Committee (**Committee**) is to provide assistance to the Gold Road Board of Directors (the **Board**) in fulfilling its oversight responsibility relating to:

- Corporate Governance and Sustainability
- Integrity of the Gold Road's financial statements
- Effectiveness of Gold Road's internal control over financial reporting including principles and policies, controls and procedures
- Compliance with applicable legal and regulatory requirements
- Internal control processes and effectiveness
- External audit function
- Risk management framework and processes
- The Whistle-blower system's effectiveness and independence, and
- Other functions as assigned by the Board.

2 COMPOSITION, MEETINGS, ANNUAL REVIEW AND AUTHORITY

This Charter governs the operation of the Committee. The Board shall appoint a Committee of at least three Board members:

- The Committee shall only consist of Non-executive Directors and the majority of which shall be independent Directors (pursuant to the recommendations of the Corporate Governance Council)
- The Chairman of the Committee shall be an independent director
- Each member of the Committee shall be financially literate
- The Committee shall meet often as required but at least twice per year
- The Committee shall keep minutes of its meetings and shall report regularly to the Board with respect to its activities
- Annually, the Committee Chairman shall assess the performance of the Audit and Risk Committee and make recommendations to the Board in respect of areas where these considered a need for enhancement of its role, operational processes or membership
- The Committee shall have full authority and resources to investigate all matters falling within its charter. The Committee may, acting reasonably, at the Company's expense obtain any external independent professional advice as it considers necessary.

3 DUTIES AND RESPONSIBILITIES

The following shall be the principal duties and responsibilities of the Committee:

3.1 Corporate Governance and Sustainability

- Ultimate responsibility for corporate governance and corporate sustainability lies with the Board. The Board may delegate the consideration or review of any specific governance or sustainability matter to the Committee as deemed appropriate from time to time.
- The Board has delegated specific responsibility to the Committee for monitoring the performance of environmental and safety management and related risks and controls through:
 - Review of regular environmental and safety compliance updates
 - Periodic consideration of material risks related to environmental and safety performance and compliance obligations
 - The effectiveness of internal environmental and safety compliance controls implemented by management, and
 - Assessing the impact of any adverse external regulatory/audit findings on environment and safety management systems.

3.2 External Audit

- In relation to the independent auditor the Committee is directly responsible for the appointment, compensation, rotation of the lead audit partner, retention of the audit firm and oversight of the work of the independent auditor. This shall include all audit and non-audit services provided by the independent auditor. The independent auditor shall report directly to the Committee.
- Regularly review with the independent auditor any audit problems or difficulties encountered during the audit including any restrictions on the scope of the independent auditors' activities or access to information.
- Review and assess the integrity of the external audit process as a whole.

3.3 Review of the Financial Statements and Supporting Processes

- Reviewing and recommending to the Board for approval the annual financial statements and interim financial statements of the Company and other related information.
- Consideration of material issues regarding accounting policies and financial statement presentation, reviewing any changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements and the policies and practices.
- Discussions with management and the independent auditor regarding significant financial reporting issues and judgments, including significant accounting estimates made in the preparation of the financial statements and the consideration thereof.

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- Assessment of whether external reporting is consistent with the Committees information and knowledge.
- Review managements report on its assessment of the effectiveness of internal controls over the Company's financial reporting systems at the end of each reporting year and discuss with the external auditor the adequacy and effectiveness of those controls.
- Review all related party transactions and discuss with management the business rationale for the transactions.

3.4 Internal Controls and Risk Management

- Understand and endorse the Company's risk appetite. Risk appetite is the amount of risk an organisation is willing to accept in pursuit of stakeholder value. The Company's management should engage with the Committee to establish a mutual understanding of the Company's overall appetite for risk.
- Review and assess during the course of the year the adequacy, effectiveness and appropriateness of the internal controls, policies, guidelines and procedures which form the Company's risk management framework reporting systems and processes for managing material business risks across the Company.
- Review and assess management's oversight of the Company's operations and existing risk management processes and require management to demonstrate the effectiveness of those processes in identifying, assessing and managing the company's most significant risk exposures.
- Review and recommend to the Board those risk management reporting and governance policies which require Board approval.
- Review, at least annually, the Company's insurance programs and adequacy of insurance cover having regard to the insurable risks associated with the Company's business.
- Undertake a periodic review of the Company's most significant risks and whether risk management strategies are appropriate. Risks constantly evolve and regular updating by management to the Committee of key risks and associated risk strategies is critical to effective Board oversight of key risk areas.

3.5 Legal and Regulatory Compliance

- Review and assess the effectiveness of the Company's compliance program in ensuring compliance with relevant regulatory and legal requirements.
- Review and assess the effectiveness of internal processes for ensuring compliance with the Company's policies and procedures.
- Review compliance reports prepared by management in relation to the Company's compliance with statutory, legal and other regulatory requirements; and identify and consider any matters that may have a material impact on the Company's activities and report on those matters to the Board.
- Review, assess and monitor the effectiveness of the Company's policies and procedures on continuous disclosure and reporting on these to the Board.

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3.6 Ore Reserves and Mineral Resources Reporting

- Review the systems, processes and methods used in relation to the reporting of Ore Reserves and Mineral Resources estimation of the Company.

This Policy was reviewed and adopted by the Gold Road Resources Limited Board on 14 March 2019.

4 DOCUMENT CONTROL

Version	Revision Status	Owner	Approver
Version No 2	Issued: 14/03/2019	Company Secretary	Gold Road Resources Board