Audit Committee Charter

1. Purpose

This Charter outlines the roles, responsibilities and composition of the Audit Committee (Committee) of the Board of Directors (Board) of Chalice Mining Limited (Chalice or the Company) and how it discharges its responsibilities for Chalice and its subsidiaries (Group).

The primary purpose of the Committee is to provide objective review and oversight of the financial reporting process, the audit process and the Group's system of financial internal controls and compliance.

2. Role and authority of the Audit Committee

The Audit Committee (**Committee**) assists the Board of Directors (**Board**) of Chalice Mining Limited (**Chalice** or the **Company**) in fulfilling its oversight responsibilities for:

- corporate governance relating to financial matters;
- Chalice's financial reporting;
- financial risk management and compliance;
- tax risk management and compliance;
- internal control structure relating to financial and taxation matters;
- external audit function;
- internal audit function (if applicable); and
- responding to any findings of the internal audit function.

In doing so, the Committee has the responsibility to maintain free and open communication with the Risk and Sustainability Committee, the external auditor and Chalice's management.

The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and people of Chalice and the authority to engage independent accounting, legal, compliance, risk management (to the extent it relates to financial and tax matters) or other professional advisers as it determines necessary to carry out its duties.

The Committee is a committee of the Board established in accordance with Chalice's constitution (**Constitution**) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

The Audit Committee will have the primary responsibility for oversight of financial matters (including financial compliance, financial risk management and financial audit), with the Risk and Sustainability Committee holding primary responsibility for oversight of other areas of risk and governance. Where

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possible overlap exists, the Committee chairs will confer with management or the Board to agree the responsibility of each Committee.

3. Membership

The Committee should to the extent practicable given the size and composition of the Board and nature and scope of the operations of the Company from time to time, comprise of:

- at least three members;
- non-executive directors; and
- a majority of directors who are independent (and it must satisfy this description if required by statute or regulation).

All Committee members should be financially literate (that is, able to read and understand financial statements).

All Committee members should have a reasonable understanding of Chalice's business and the industry in which it participates.

Where the Company is included in the S&P/ASX 300 Index, the Committee must comply with Listing Rule 12.7 and will otherwise have regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Chair of the Committee (**Committee Chair**) will be appointed by the Board. The Committee Chair should be an appropriately qualified non-executive director, and where the size and composition of the Board allow, an independent non-executive director. The Committee Chair must not be the chair of the Board and must satisfy this description if required by statute or regulation.

The appointment and removal of Committee members is the responsibility of the Board.

A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair.

If a Committee member ceases to be a director of the Board, their appointment as a member of the Committee is automatically terminated with immediate effect.

The Company Secretary of Chalice or their designate is secretary to the Committee.

4. Meetings

The Committee will meet at least two times annually or as frequently as is required to undertake its role effectively.

The Committee may meet in private with either or both of Chalice's Chief Financial Officer and external auditor.

Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

The Committee, through the Committee Chair, may invite any director, senior manager, other staff member, external auditor or external advisor to attend all or part of a meeting of the Committee.

There is an open invitation for all non-executive directors to attend all meetings of the Committee.

The proceedings of all meetings will be minuted by the Company Secretary. All minutes of the Committee are available for inspection by any director of the Board.

A quorum for any meeting will be at least two Committee members.

The Committee will develop an annual program to meet its responsibilities.

5. Duties and Responsibilities

The Committee's key responsibilities and functions are:

- to review at least annually and monitor the effectiveness of Chalice's strategies, policies, procedures and systems in relation to financial and tax risks to:
- satisfy itself that they continue to be sound; and
- that Chalice is operating with due regard to the risk appetite (as it applies to financial and tax matters) set by the Board through the approval of Chalice's risk management framework;
- to refer to the Chalice Risk and Sustainability Committee any matters that come to its attention that are relevant to the Risk and Sustainability Committee establishing and approving Chalice's overall risk management framework;
- to review and approve Chalice's financial statements and reports;

In relation to Chalice's financial reporting, which, without limitation, includes:

- reviewing the suitability of Chalice's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
- assessing significant estimates and judgements in financial reports;
- assessing information from the external auditor to ensure the quality of financial reports; and
- recommending to the Board whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them;
- advise the Board in a timely manner of audit, financial reporting, internal financial control, financial risk management and financial and tax compliance matters which may significantly impact upon Chalice;
- as and when appropriate, seek direction and guidance from the Board on audit, financial risk management and financial and tax compliance matters;
- in relation to the entry into, approval or disclosure of related party transactions (if any);
- to oversee Chalice's financial controls and systems;
- to manage external audit arrangements and external auditor independence;

- to consider whether an internal audit function is required and, if not, ensuring that Chalice discloses the processes it employs to evaluate and improve its risk management and internal control processes;

If Chalice has an internal audit function, the Committee is responsible for making recommendations to the Board on:

- the appointment and removal of the head of the internal audit function;
- the scope and adequacy of the internal audit work plan; and
- the independence, objectivity and performance of the internal audit function;
- to respond to any findings of the internal audit function; and
- review the process taken to verify the integrity of the content of any periodic corporate report (to the extent that report relates to financial or tax matters) released to the market that has not been subject to audit or review by an external auditor.

6. Reporting

The Committee will:

- regularly report to the Board on all matters relevant to the Committee's role and responsibilities;
- report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee.

Minutes of Committee meetings will be included in the papers for the next full Board meeting.

7. Preparation and Presentation of Financial Statements and Reports

The Committee will:

- after review with management and the external auditor, recommend to the Board the half year and full year financial statements, the preliminary financial reports to be lodged with ASX and all related financial reports and statements;
- review representation letters to be signed by management to ensure that all relevant matters are addressed;
- discuss matters raised by the external auditor as a result of their work;
- assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts; and
- review declarations made by the Managing Director and Chief Financial Officer to the Board with respect to the Company's financial statements under applicable laws and regulations.

8. External Audit

The Committee:

- is responsible for making recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder ratification, as required), remuneration, monitoring of the effectiveness, and independence of the external auditor;
- will discuss annually with the external auditor the overall scope of the external audit and ensure the external auditor attends the Chalice annual general meeting (**AGM**) and is available to answer questions from security holders relevant to the audit;
- must pre-approve all audit and non-audit services provided by the external auditor (other than taxation services) and will not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of Chalice. The Committee may delegate a pre-approval dollar limit to the Chief Financial Officer and authority to a member of the Committee to pre-approve amounts in excess of this between Committee meetings;
- will advise the Board on statements to be made in the directors' report regarding non-audit services in accordance with the Corporations Act;
- will annually request from the external auditor a report which sets out all relationships that may affect its independence; and
- will review the procedures for selection and appointment of the external auditors and rotation of external audit engagement partner.

9. Access to information and independent advice

The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.

The Committee has access to:

- Chalice's management, to seek explanations and information from them; and
- external and internal auditors to seek explanations and information, without Chalice's management being present.

The Managing Director, Chief Financial Officer and Company Secretary will have unfettered access to the Committee.

The Committee, with the approval of the Committee Chair, may seek professional advice from appropriate external advisers to enable the Committee to properly carry out its functions and meet its objectives. The Committee may meet with these external advisers without Chalice's management being present. The costs of such external advisers will be borne by Chalice.

10. Committee Performance

The Board will, at least once in each year, review the membership of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Board will make an evaluation of the Committee's performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

11. Review

The Committee will review this Charter annually or as often as it considers necessary.

The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

The Company Secretary (and, so long as there are two, either one of them) is authorised to make administrative and non-material amendments to this policy provided that any such amendments are notified to the Board or its delegated committee at or before its next meeting.