

AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

STANDARD

1. PURPOSE

The Audit & Risk Management Committee (Committee) is a committee of the Board of Directors of Sundance Resources Limited (Board), with the specific powers delegated as set out in this charter.

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, risk management, internal controls, corporate governance and internal and external audit.

EXPECTATIONS

2. STRUCTURE

2.1 Membership

The Committee must consist of:

- (a) non-executive directors only;
- (b) a majority of independent directors, as determined by the Board by reference to the definition of independence set out in Box 2.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, or otherwise in accordance with the Sundance Resources Board Charter;
- (c) an independent chairman, who is not chairman of the Board; and
- (d) at least 3 members.

2.2 Expertise

All members of the Committee must be financially literate.

In appointing Directors to the Committee, the Board will have regard to the following composition requirements:

- at least 1 member having accounting or financial management experience; and
- at least 1 member having experience of the industry in which the Company operates.

A member of the Committee may, with the approval of the Committee chairman and at the Company's expense, attend seminars or training courses in respect to legislative, accounting and financial issues relating to the functions and responsibilities of the Committee.

3. POWERS OF THE COMMITTEE

3.1 Powers

Unless expressly stated, the Committee does not have executive power to bind the Company or enter into transactions with third parties.

3.2 Access to management

The Committee, in performing its functions and in accordance with an applicable law, may:

- (a) require the attendance at a meeting of the Committee of:
- the external auditor;
 - the internal auditor (if any);
 - any employee of the Company; and
 - and Director who is not a member of the Committee;
- (b) access any document, report, material or information in the possession of an employee or external adviser of the Company.

3.3 Special investigations

The Committee may initiate special investigations as it sees fit, or as directed by the Board in relation to its responsibilities.

3.4 Access to independent advice

The Committee may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Company.

4. COMMITTEE RESPONSIBILITIES

4.1 Financial Reporting

The Committee should promote an environment in the Company which is consistent with best practice financial reporting and appropriately reflects the financial status of the Company to users of the financial statements. In particular, the Committee should:

- (a) review all published financial statements which are required to be signed by, or on behalf of, the Directors. The review of financial statements should include a discussion with the external auditor of accounting issues, accounting policies adopted and the proposed audit report;

- (b) review the annual report, directors' report and any report of management which is required by law to accompany any published financial statements (to the extent that such a report discusses the financial position or operating results) before approval by the Board;
- (c) review and assess the appropriateness of the Company's accounting policies;
- (d) review and consider the processes by management to monitor and ensure compliance with laws, regulations and other requirements relating to external reporting of financial information; and
- (e) review management's assessment of the impact of proposed professional and regulatory pronouncements regarding accounting policies and financial reporting.

4.2 Internal Controls & Risk Management

The Committee should assist the Board in fulfilling its duty to establish and maintain a sound system of internal control and risk management to protect the Company's assets, specifically by:

- (a) ensuring that the Company has established a policy for the oversight and management of material business risks;
- (b) overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material business risks throughout the Company
- (c) reviewing management's reports in relation to risk management and their assessment as to whether material business risks are being managed effectively;
- (d) monitoring the action being taken by management in addressing unacceptable levels of risk or identified weaknesses in internal controls;
- (e) ensuring that the company's systems of internal control includes procedures for reporting immediately to management and/or the Board any major control weaknesses that are identified;
- (f) receiving reports concerning material actual and suspected breaches of law, including fraud and theft and assess systems to manage this risk;

4.3 Corporate Governance

The Committee should:

- (a) ensure that there is an appropriate corporate governance framework of rules, relationships, systems and processes within and by which authority is exercised and controlled;
- (b) review and monitor corporate governance requirements and standards that may be relevant to the Company, including requirements of the Australian Securities Exchange and other applicable regulators;

- (c) review annually the company's main corporate governance policies and recommend amendments to the Board, if necessary;
- (d) review the corporate governance disclosure statements in the Company's Annual Report;
- (e) review the independent status of the company's directors; and
- (f) monitor and review and related party transactions.

4.4 External Audit

The Committee should review and assess key areas relating to the external audit of the Company. In particular the Committee should:

- (a) make recommendations to the Board on the appointment, reappointment or replacement and remuneration of the external auditor;
- (b) review terms of engagement for the external auditor, and agree the terms with auditor;
- (c) monitor the effectiveness and independence of the external auditor;
- (d) review the scope of the external audit with the external auditor including identified risk areas;
- (e) review and assess non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditor's judgment or independence in respect of the Company;
- (f) ensure the work of the external auditor is co-ordinated with any internal audit programs;
- (g) review and monitor management's responsiveness to the external audit findings; and
- (h) on a regular basis, meet with the external auditor without the presence of management.

4.5 Internal Audit

Where there is no internal audit function, the Committee should monitor the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

Where there is an internal audit function, the Committee should review and assess key areas relating to the internal audit of the Company. In particular the Committee should:

- (a) approve the appointment of any internal auditor. Where the internal auditor is an executive of the company or, where the internal auditor is an external contractor, approve the appointment and the internal auditor's terms of engagement;
- (b) review and assess the scope of any internal audit and any internal audit plan, work program and resources;
- (c) review and monitor management's responsiveness to any internal audit findings, including implementing any changes recommended by any internal auditor; and

- (d) on a regular basis, meet with any internal auditor without the presence of management.

4.6 Compliance

The Committee should ensure adequate processes in the area of compliance by:

- (a) reviewing and considering the processes put in place by management to monitor and ensure compliance with laws, regulations and other requirements;
- (b) ensuring that procedures are established for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports; and
- (c) reviewing any regulatory reports on the Company's operations and management's response.

5. MEETINGS

5.1 Holding of meetings

- (a) The Committee will meet approximately four times a year.
- (b) The Chairman of the Committee may convene a meeting of the Committee at any time, or if so requested by any member of the Committee, any director or the auditor.
- (c) A meeting of the Committee may be held using any means of audio or audio-visual communication by which each Committee member participating can hear and be heard by each other Committee member participating.

5.2 Quorum

The number of members whose presence is necessary to constitute a quorum for a meeting of the Committee is 2.

5.3 Attendance at Meetings

Unless otherwise notified by the Committee:

- (a) any director;
- (b) the Chief Executive Officer and Managing Director;
- (c) the Chief Financial Officer;
- (d) the external auditor; and
- (e) any internal auditor,

may attend a meeting of the Committee.

5.4 Secretary

The secretary of the Committee is the Company Secretary.

5.5 Committee Papers and Minutes

The Committee Secretary must distribute an agenda and any related Committee papers (including minutes of the previous Committee meeting) in advance of Committee meetings to:

- (a) each member of the Committee and each Director (if requested);
- (b) the Chief Financial Officer;
- (c) senior internal accounting personnel;
- (d) the external auditor; and
- (e) any internal auditor.

6. PERFORMANCE REVIEW

At least once a year, and in any event before the report is provided to the Board under rule 7.2, and in the manner determined by the Committee Chairman, the Committee shall review:

- (a) its performance; and
- (b) the performance of each member,

against the Committee charter and (if required) consider making recommendations for improving the effectiveness of the Committee.

7. REPORTING TO THE BOARD

7.1 Regular reporting

The Committee chairman must report to the Board after each Committee meeting.

7.2 Annual Report to the Board

The Committee shall report to the Board as to the exercise of the responsibilities under this Charter on an annual basis.