



WPG Resources Ltd

Audit & Risk Committee Charter

The Charter has been adopted to comply with the best practice recommendations set out in ASX Corporate Governance Principles and Recommendations 2nd Edition 2007 Recommendation 4.2.

The charter sets out the Audit & Risk Committee's role and responsibilities, composition, structure and membership requirements and the procedures for inviting non-committee members to attend meetings.

The Audit & Risk Committee has been given the necessary power and resources to meet its charter.

PURPOSE

The Audit & Risk Committee was established in accordance with ASX Corporate Governance Principles and Recommendations 2nd Edition 2007 Recommendation 4.1.

The primary function of the Audit & Risk Committee is to assist the Board in overseeing that management maintains effective control of its operations by:

- Reviewing annual financial statements to ensure that they provide a true and fair view of the state of affairs of the company and its subsidiaries; and
- Liaising with the Company's external auditors; and
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the company and its subsidiaries on a regular basis.
- Considering and reviewing risk related policies and procedures.

The Audit & Risk Committee's function is one of oversight, and it recognises that management is responsible for preparing a risk assessment and half yearly and annual financial statements and that the external auditors are responsible for reviewing and auditing the half yearly and annual financial statements.

In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the risk assessment or the financial statements.

The Audit & Risk Committee shall maintain an effective, open avenue of communication between the Board, management and the external auditors.

The Audit & Risk Committee has the authority to conduct investigations within the scope of its responsibilities and to retain legal, accounting and other advisors to assist the Committee in its functions, should the need arise.

The Audit & Risk Committee will be provided with appropriate funding, as determined by the Board, for compensation to any advisers employed by the Audit & Risk Committee and ordinary administrative expenses of the Audit & Risk Committee.

STRUCTURE

As set out in Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations 2nd Edition 2007, the committee will comprise:

- only non-executive directors
- a majority of independent directors
- an independent chair, who is not chair of the Board
- at least three members.

All members of the Audit & Risk Committee shall have a working familiarity of risk management, internal controls and basic finance and accounting practices.

MEETINGS

Meetings will occur at least twice a year as follows:

- The Audit & Risk Committee shall meet once in person, prior to signing of the annual financial statements.
- The Audit & Risk Committee shall meet once in person, prior to signing of the half year financial accounts.
- The Audit & Risk Committee shall meet at any other convenient date to review the risk assessment and other operational issues reported on, and in any event, often enough to undertake its role effectively.

The Audit & Risk Committee may ask members of management or others to attend Audit & Risk Committee meetings and provide pertinent information when needed. The Audit & Risk Committee may meet with management and the external auditors in separate executive sessions.

A majority of the members of the Audit & Risk Committee will constitute a quorum with a majority of votes of those Committee members present at a meeting in which a quorum has been established being sufficient to adopt a resolution or otherwise take action.

The Audit & Risk Committee meeting minutes shall be kept and included in the papers for the next full board meeting after each Audit & Risk Committee meeting.

FUNCTIONS AND RESPONSIBILITIES

Risk Management and Internal Control

- Review with management and the external auditors the adequacy and effectiveness of the processes for assessing and managing risk.
- Examine the external auditors findings of weaknesses and recommendations for the improvement of risk management and internal controls. Monitor management's response to and implementation of risk management and internal control recommendations.
- Consider the extent to which the external auditor's review of computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown is/should be implemented.

Financial Reporting

- Review the financial statements prior to release to ASX/ASIC and discuss such statements with management and the external auditors. If appropriate, recommend to the Board that the audited financial statements be adopted for inclusion in the annual report.
- Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information.
- Discuss any changes in accounting principles that occurred. Consider management's handling of proposed audit adjustments identified by the external auditors.
- Consult with the external auditors and accounting personnel on the integrity of the internal financial reporting process. Determine if key reporting objectives are being met.

External Auditors

- Review, at least annually, all relationships between the external auditors and management to ensure independence of auditors.
- Discuss with the external auditors any significant findings, difficulties, disagreements with management, restrictions on scope of the audit, or limitations on information or personnel encountered while performing the audit.

General

- Evaluate whether management is providing the appropriate framework for employees in relation to financial processes and procedures.
- Review legal and regulatory matters that may have a material impact on the financial statements and the related compliance policies and procedures.
- Review and assess, at least annually, the Audit & Risk Committee's charter and submit changes to the charter for approval of the Board.
- Conduct an annual performance evaluation of the Committee as part of the Board Review.
- Perform other oversight functions as requested by the Board.

REPORTING RESPONSIBILITIES

The Audit & Risk Committee is responsible to and reports directly to the Board. The Chairman of the Audit & Risk Committee is responsible for periodically updating the Board about Audit & Risk Committee activities and making appropriate recommendations, including:

- assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs
- assessment of the management processes supporting external reporting
- procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners
- recommendations for the appointment or, if necessary, the removal of the external auditor
- assessment of the performance and independence of the external auditors.
- assessment of the performance and objectivity of the internal audit function
- the results of the committee's review of risk management and internal control systems

- recommendations for the appointment or, if necessary, the dismissal of the head of internal audit
- whether the audit committee is satisfied that provision of any non-audit services has not compromised the auditor's independence

Signed

Name

Date