



## **Audit Committee Charter (principle 4)**

The charter of the Committee is:

### **1. Establishment**

It is the policy of IMX Resources Ltd to have an Audit Committee of the Board at all times.

### **2. Purpose**

The purpose of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the external reporting of financial information, the internal control and operational risk management framework, the independence and effectiveness of audit and compliance with laws and regulations.

### **3. Authority**

The Audit Committee has the authority to meet with appropriate personnel, obtain relevant records, and discuss matters with internal and external auditors, senior management and, where necessary, independent experts.

The Committee discharges its responsibilities by making recommendations to the Board.

### **4. Responsibilities**

The Audit Committee:

- independently reviews the financial information prepared by management;
- recommends the operational and compliance risk policies for approval by the Board;
- reviews assurances on the effectiveness of the internal control systems;
- oversees, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders;
- oversees and appraises the independence, effectiveness and scope of work of the external auditors;
- reviews the effectiveness of the process implemented to monitor compliance with applicable laws and regulations;
- reports to the Board on its activities and table the minutes of Audit Committee meetings.

### **5. Membership**

The Audit Committee membership is in accordance with the corporate governance guidelines approved by the Board on an annual basis.

The policy of the Board is that the Committee should comprise three members:

- all being non executive directors;
- at least two being independent;
- all financially literate (that is, be able to read and understand financial statements);
- at least one with relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters);
- some members with an understanding of the industry in which IMX operates;
- the chairman should not be the chairman of the board.

The current members of the Committee are Messrs Haggarty, independent chair, Jooste-Jacobs, independent and Hunt, non executive. The Chief Executive attends meetings by invitation.

**6. Attendance at Meetings**

Audit Committee meetings are conducted at least twice per year or more frequently as required to adequately undertake its role effectively.

**7. Reporting**

The Audit Committee reports to the Board.

The report contains all matters relevant to the committee's role and responsibilities, 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 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. Where the external auditor provides non audit services, the report will state whether the audit committee is satisfied that provision of those services has not compromised the auditor's independence;
- results of the committees review of risk management and internal control systems.

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