



PANORAMIC RESOURCES LIMITED

ACN 095 792 288

AUDIT COMMITTEE CHARTER

Revised & Approved: August 2007

Version – Sept. 2008 (following change of Company Name)

PANORAMIC RESOURCES LIMITED

(“PRL” or “the Company”)

Audit Committee Charter

1. Overall purpose/objectives

The audit committee is appointed by the board of directors to assist the board in discharging its oversight responsibilities. The audit committee will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The audit committee will also review: the effectiveness of the internal financial control and risk management system; recommendation and the appointment and assessing the performance of the external auditor; the company's process for monitoring compliance with laws and regulations affecting financial reporting and, if applicable, its code of business conduct.

In performing its duties the committee will maintain effective working relationships with the board of directors, management, and the external auditor. To perform his or her role effectively, each committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the committee's responsibilities and of the company's business operations and risks.

2. Authority

The board authorises the audit committee, within the scope of its responsibilities, to:

- 2.1** Perform activities within the scope of its charter.
- 2.2** Engage independent counsel and other advisers as it deems necessary to carry out its duties.
- 2.3** Ensure the attendance of company officers at meetings as appropriate.
- 2.4** Have unrestricted access to members of management, employees and relevant information.
- 2.5** Establish procedures for dealing with concerns of employees regarding accounting, internal control or auditing matters.
- 2.6** Establish procedures for the receipt of complaints received by the company regarding accounting, internal accounting controls or auditing matters.
- 2.7** Be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditor.
- 2.8** Approve all audit engagement fees and terms as well as reviewing policies for the provision of non-audit services by the external auditors (and when required, the framework for pre-approval of such services).

3. Organisation

Membership

- 3.1** The board of directors will nominate the audit committee members and the chairman of the audit committee (who is an independent director).
- 3.2** The audit committee will comprise a minimum of two (2) members.
- 3.3** A quorum of any meeting will be two (2) members.
- 3.4** Each member should have the skills and experience appropriate to the company's business.
- 3.5** Each member shall be financially literate; at least one member must have accounting or related financial expertise.
- 3.6** Members will be appointed for a three (3) year term of office & reviewed annually thereafter.
- 3.7** The secretary of the audit committee will be the company secretary or such other person as nominated by the board.

Meetings

- 3.8** Only committee members are entitled to attend meetings. The audit committee may invite such other persons (eg the CEO, CFO, and external audit engagement partner) to its meetings, as it deems necessary.
- 3.9** The external auditors should be invited to make presentations to the audit committee as appropriate.
- 3.10** Meetings shall be held not less than two (2) times a year and should correspond with the company's financial reporting cycle.
- 3.11** Special meetings may be convened as required. The secretary will convene a meeting on receipt of a request by the external auditor.
- 3.12** The secretary shall circulate the agenda and supporting documentation to the audit committee members a reasonable period in advance of each meeting.
- 3.13** The secretary of the committee shall circulate the minutes of meetings to members of the board, members of the committee, (and the external auditor where appropriate).
- 3.14** As a minimum, the chairman of the committee (or another member of the committee) shall attend the board meeting at which the financial statements are approved.
- 3.15** Members of the audit committee should attend every meeting of the committee.
- 3.16** The audit committee will meet with the external auditors (at least once a year) without management present.

4. Roles and Responsibilities

The audit committee will:

Internal control

- 4.1** Evaluate whether management is setting the appropriate 'control culture' by communicating the importance of internal control and management of risk.
- 4.2** Understand the internal controls systems implemented by management for the approval of transactions and the recording and processing of financial data.
- 4.3** Understand the controls and processes implemented by the management to ensure that the financial statements derived from the underlying financial systems, comply with relevant standards and are subject to appropriate management review.
- 4.4** Evaluate the overall effectiveness of the internal control and risk management frameworks and consider whether recommendations made by the external auditors have been implemented by management.
- 4.5** Consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown or to protect against computer fraud or misuse.

Financial reporting

- 4.6** Gain an understanding of the current areas of greatest financial risk and how these are being managed.
- 4.7** Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.
- 4.8** Oversee the periodic financial reporting process implemented by management and review the interim financial statements, annual financial statements and preliminary announcements prior to their release.
- 4.9** Review management's process for ensuring that information contained in analyst briefings and press announcements is consistent with published financial information, balanced and transparent (particularly regarding GAAP vs non-GAAP data).
- 4.10** Meet with management and the external auditors to review the financial statements, the key accounting policies and judgements, and the results of the audit.
- 4.11** Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.
- 4.12** Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the company and its operations and lacks bias

Compliance with laws and regulations

- 4.13** Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- 4.14** Obtain regular updates from management regarding compliance matters that may have a material impact on the company's financial statements or compliance policies.
- 4.15** Be satisfied that all regulatory compliance matters, related to the business of the company, have been considered in the preparation of the financial statements.
- 4.16** Review the findings of any examinations by regulatory agencies.

Working with auditors

External audit

- 4.17** Review the professional qualification of the auditors (including background and experience of partner and auditing personnel).
- 4.18** Consider the independence of the external auditor and any potential conflicts of interest.
- 4.19** Review on an annual basis the performance of the external auditors and make recommendations to the board for the appointment, reappointment or termination of the appointment of the external auditors.
- 4.20** Review the external auditors' proposed audit scope and approach for the current year in the light of the company's present circumstances and changes in regulatory and other requirements.
- 4.21** Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit problems encountered in the normal course of audit, including any restriction of audit scope or access to information.
- 4.22** Ensure that significant findings and recommendations made by the external auditors and management's proposed response are received, discussed and appropriately acted on.
- 4.23** Discuss with the external auditor the appropriateness of the accounting policies applied in the company's financial reports and whether they are considered as aggressive, balanced or conservative.
- 4.24** Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately. Ensure the auditors have access to the chairman of the audit committee when required.
- 4.25** Review policies for the provision of non-audit services by the external auditor (and, where applicable the framework for pre-approval of audit and non-audit services).
- 4.26** Ensure the company has appropriate policies regarding the hiring of audit firm personnel for senior positions after they have left the audit firm.

Internal audit

- 4.27 Review the activities, resources and organisational structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
- 4.28 Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the company.
- 4.29 Review the proposed internal audit plan for the coming year and ensure that it addresses key areas of risk and that there is appropriate co-ordination with the external auditor.

Reporting responsibilities

- 4.30 Regularly update the board about committee activities and make appropriate recommendations.
- 4.31 Ensure the board is aware of matters that may significantly impact on the financial condition or affairs of the business.
- 4.32 Prepare any reports required by law or listing rules or requested by the board, for example a report on the audit committee's activities and duties to be included in the section on corporate governance in the annual report.

Evaluating performance

- 4.33 Evaluate the committee's own performance, both of individual members and collectively, on a regular basis.
- 4.34 Assess the achievement of the duties specified in the charter and report the findings to the board.

Review of the committee charter

- 4.35 Unless required earlier under statutory legislation, the review of the audit committee charter will occur bi-annually and any required changes discussed with the board.
- 4.36 Ensure that the charter is approved or reapproved by the board.