

**VIKING MINES LIMITED**  
**ACN 126 200 280**

**AUDIT AND COMPLIANCE COMMITTEE CHARTER**

As approved by the Board of Directors on 19 March 2010

**Preamble**

- 1 The Board of Viking Mines Limited (**Company**) is responsible for overseeing the management of the Company and its subsidiaries, including its control and accountability systems.
- 2 The Audit and Compliance Committee (**Audit Committee**) is a sub-committee of the Board. The role of the Audit Committee is to assist the Board and make recommendations to the Board in relation to audit and compliance matters.
- 3 This Audit Committee Charter (**Charter**) outlines various matters concerning the Audit Committee, including the role and responsibilities, composition, structure and membership requirements of the Audit Committee.

**Objectives**

4. The primary objectives of the Audit Committee are to assist the Directors of the Company to discharge their obligations with respect to:
  - (a) the integrity and quality of interim and annual financial reporting and disclosures;
  - (b) identification of key business, financial and regulatory risks;
  - (c) compliance with relevant laws, regulations, standards and codes;
  - (d) the adequacy of the internal control framework; and
  - (e) the integrity of internal and external audit.

**Role and responsibilities**

5. The primary responsibilities of the Audit Committee are as follows:
  - (a) review any financial reports externally;
  - (b) monitor corporate risk assessment processes;
  - (c) review the nomination and performance of the external auditor;
  - (d) monitor the establishment of appropriate ethical standards;
  - (e) monitor the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
  - (f) address any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX Limited and financial institutions; and

- (g) review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.
6. The Audit Committee may consider any matter concerning the financial affairs of the Company, the internal audit, the external audit, risk management and other issues referred to it by the Board.
  7. The Audit Committee should review the integrity of the Company's financial reporting and oversee the independence of the external auditors.
  8. The Audit Committee will discharge its objectives and responsibilities (set out above) as follows:

#### **Risk**

9. Review the adequacy of the risk management processes adopted by management for assessing and managing key business and financial risks.

#### **Compliance**

10. Review compliance with relevant laws and regulations and determine whether the organisational programmes in place provide reasonable assurance of compliance.
11. Review compliance with statutory financial and remuneration reporting requirements.

#### **Reporting**

12. Review all half yearly, annual and other financial reports distributed externally, with particular emphasis on the integrity and completeness of information and key disclosures.
13. Assess whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholders' needs.
14. Assess management processes supporting external reporting.
15. When satisfied with the propriety and integrity of the financial reports and disclosures, the Audit Committee will recommend release of the information to the Board.

#### **Internal control**

16. Monitor the establishment and maintenance of an appropriate internal control framework, including information systems.

#### **Internal audit**

17. Monitor activities and effectiveness of internal audit, including:
  - (a) approve the engagement terms and conditions of the internal auditor;
  - (b) approve the internal audit charter;
  - (c) approve the annual internal audit objectives and risk-based work plan;

- (d) review the internal audit reports and actions taken by management;
- (e) review internal audit's periodic reports on the generally observed compliance with internal control and financial practices, provided in addition to reports on specifically agreed reviews;
- (f) oversee the process and review the procedures for the selection, appointment and removal of the internal auditor;  
and
- (g) assess the performance and independence of the internal auditor and consider whether the provision of any non-audit services compromises the independence of the internal auditor.

#### **External audit**

18. Monitor the activities and performance of the external auditor, including:
- (a) review the annual audit plan of the external auditors, and approve the external audit remuneration;
  - (b) review with external auditors the outcomes of the annual audits, ensuring that any reported major deficiencies or weaknesses in controls have been identified and that appropriate and timely corrective action is taken by management;
  - (c) oversee the process, and review the procedures, for the selection, appointment and removal of the external auditor, including rotation of external audit partner; and
  - (d) assess the performance and independence of the external auditors and consider whether the provision of any non-audit services compromises the independence of the external auditors.

#### **Corporate Code of Conduct**

19. Ensure that a Corporate Code of Conduct is maintained and that there are processes in place for administering the code. This duty includes the duty to review related party transactions and potential conflicts of interest.

#### **Rights of access**

20. The Audit Committee has rights of access to management, rights to seek explanations and additional information and access to auditors, internal and external, without management present.
21. The Audit Committee has the authority to seek any information it requires from any employee of the Company.
22. The external auditor, and any internal auditor, if appointed, will have unlimited free access to members of the Audit Committee.

### **Composition, structure and membership requirements**

23. Subject to the composition of the Board, the Company will endeavour to create an Audit Committee that:
  - (a) consists only of non-executive directors;
  - (b) consists of a majority of independent directors;
  - (c) is chaired by an independent director, who is not Chairman of the Board; and
  - (d) has at least 3 members.
24. Subject to the composition of the Board, the Company will endeavour to ensure that all members of the Audit Committee are financially literate, with at least one member of the Audit Committee being a qualified accountant or other financial professional. Some members of the Audit Committee should have an understanding of the industry in which the Company operates.

### **Meetings**

25. The Audit Committee will hold at least 2 regular meetings each year, with additional meetings called by the chairman of the Audit Committee as required, or if formally requested by any member of the Audit Committee, the Managing Director or the Company's auditor.
26. An annual schedule of Audit Committee meetings and activities will be established.
27. After endorsement by the chairman of the Audit Committee, the agenda papers will be distributed to all meeting invitees approximately 5 working days prior to each meeting.
28. A quorum of the Audit Committee will comprise any 2 members of the Audit Committee.
29. The Company Secretary or other person appointed secretary to any meeting will maintain a formal record of the business of each meeting.
30. The chairman of the Audit Committee will report key issues arising and any recommendations of the Audit Committee to the Board following each Audit Committee meeting.

### **Attendance at meetings by invitation**

31. The following people may be invited to attend all or part of an Audit Committee meeting:
  - (a) the Managing Director;
  - (b) the Company Secretary;
  - (c) the Company's external auditor;
  - (d) any internal auditor appointed by the Company; and

- (e) other staff members or external parties as requested by the Audit Committee.

**Professional advice**

- 32. The Audit Committee is authorised to take such independent professional advice as it considers necessary.

**Further information**

- 33. The Company will publish the Charter and the composition of the Audit Committee on the Company's website: [www.vikingmines.com](http://www.vikingmines.com).
- 34. If you have any questions or need further information in relation to this Charter, please contact the Company Secretary.