

Audit & Risk Committee Charter

Objectives

- 1 The objectives of the Millennium Minerals Ltd (**Company**) Audit and Risk Committee is to assist the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including:
 - a. the integrity and adequacy of the Company's financial reporting;
 - b. compliance with legal and regulatory obligations;
 - c. oversight of the independence of the external and internal auditors;
 - d. oversight of the Company's internal financial control system and its risk management framework.

- 2 The Committee is to specifically undertake the functions of an audit and risk committee as set out in the ASX Corporate Governances Council's Corporate Governance Principles and Recommendations 3rd Edition (**ASX Principles**).

Roles & Responsibilities

Effective management of financial risks

- To be aware of the areas of greatest financial risk and ensure that there is a continuous and effective process for managing those risks.
- To satisfy itself that effective systems of accounting and internal control are established and maintained to manage financial risk.
- To satisfy itself as regards the integrity and prudence of management control systems, including the review of systems, policies and practices.
- To make the Board aware of any matters that might have a significant impact on the financial condition or affairs of the Company.

Compliant and reliable financial reporting

- To require that the Company's accounting policies and practices are appropriate and comply with the Corporations Act, ASX requirements and Australian Accounting Standards. The Committee should engage with the external auditor to ensure the necessity, quality and acceptability of the entity's accounting standards and principles.

- To review and discuss with management and the external auditor, before submission to the Board, the semi-annual and annual financial statements, ASX forms and reports required by law to accompany financial statements, as well as any significant external financial announcements that are to be released to third parties.
- To review and ensure implementation of any new or proposed accounting practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

Maintenance of effective and efficient audit processes

- To recommend to the Board the appointment, re-appointment or replacement of the internal and external auditors.
- To confirm that there have been no unjustified restrictions or limitations placed on auditors.
- To review the efficiency, effectiveness and objectivity of the auditors in relation to their respective responsibilities.
- To review the scope of the audit to establish that it is adequate, placing emphasis on areas where the Committee, management and / or the auditors believe special emphasis is necessary.
- To review and assess the findings of the auditors and the actions taken and timetable proposed by management in response to the findings.
- To approve audit fees and non-audit services performed by the external auditor. Non-audit services performed by the external auditor require pre-approval of the Committee. The Committee may delegate authority to one independent member to approve any additional services as they arise to a limit as determined by the Committee.
- To consider the independence of the external auditor and the level of non-audit services provided by the audit firm and report to the Board on the status of their independence and any issues arising. The lead audit partner for the external audit should be rotated every five years.
- The Committee will review the declarations signed by the Chief Executive Officer and Chief Financial Officer required under section 295A of the Corporations Act and Recommendation 7.3 of the ASX Principles.

Effective maintenance of the risk management framework

- To review the effectiveness and adequacy of Millennium's risk management process and internal compliance systems;
- To approve and continuously monitor appropriate policies, procedures, codes of conduct and ethical standards for directors and employees and to receive and assess management reports on any deficiencies or weaknesses that may arise; and
- To oversee the mitigation of insurance risk and approving the annual insurance program.

Other responsibilities

- Ensure the Board receives minutes of meetings, is kept regularly informed on general progress and activities, and is promptly briefed on all significant matters.
- Ensure that appropriate policies are established and adequate systems are in place to identify and disclose related party transactions.
- To perform or undertake on behalf of the Board any such other tasks or actions as the Board may from time to time authorise or such other functions as assigned by law or the Company's Constitution.

Ultimate responsibility for a Company's financial statements and the Company's risk management framework rests with the full Board.

Administration matters

Membership

- The full Board performs the function of an Audit and Risk Committee.
- The Chairperson shall be appointed by the Board.
- The Chairperson of the Committee may not be the Chairman of Directors.
- All Members of the Committee should be financially literate in the opinion of the Board and at least one member should have financial expertise (that is, is a qualified accountant or other financial professional with financial and accounting experience).

Meetings

- The Committee Chairperson has the power to convene and conduct meetings of the Committee.
- Meetings shall be held not less than twice a year.
- A quorum shall be two, one of whom must either be the Committee Chairman or the Chairman of the Board.
- Directors who are not Committee members may attend meetings.
- The Committee may invite such other persons (e.g. the Managing Director, Chief Financial Officer, financial controller and auditors) as it deems necessary. All directors, including those directors not on the Committee may attend audit committee meetings with the consent of the Chairman of the Committee.
- The auditors may make presentations to the Committee at its meetings.
- The Secretary of the Committee shall be the Company Secretary or such other person as nominated by the Board. The Company Secretary is to attend all Committee Meetings to ensure minutes are taken at the meetings.
- Decisions of the Committee shall be made by a majority of members present.
- Comprehensive papers and an agenda will be provided to Committee members before each meeting.
- The proceedings of all meetings will be recorded in Committee minutes.
- The minutes of each meeting will be submitted to the directors and be considered at a subsequent meeting of the Board.

Authority

- The Committee has unrestricted access to information and reports relevant to fulfilling its responsibilities.
- The Committee may seek independent external advice (financial, legal or other) on matters brought before the committee or in relation to the functions and responsibilities of the committee.
- The Committee shall have the power to conduct or authorise investigations into any matters within the Committee's scope of responsibilities or when requested by the board.
- Members of the Committee generally do not represent themselves as experts in the fields of accounting, auditing or risk management. As such, it is not the responsibility of the Committee directly to conduct accounting, audit or risk reviews.

Committee Performance

To determine as to whether it is functioning effectively, once each year the Committee shall:

- review this Charter to ensure its effectiveness and currency. Any changes are to be recommended to the Board for approval; and
- perform an evaluation of its performance.

Dated: 4 October 2016