

St Barbara Limited

Audit Committee Charter

The Board of St Barbara Limited has established an Audit Committee (the **Committee**). Its function, responsibilities and administration are set out in this Charter.

1. The Role of the Audit Committee

- 1.1 The role of the Audit Committee is to assist and advise the Board in discharging its responsibilities in relation to:
- a) Financial reporting;
 - b) Financial risk management;
 - c) Evaluating the effectiveness of the financial control environment;
 - d) Review of the internal and external audit functions; and
 - e) Review of the Mineral Resource and Ore Reserve estimation processes.

2. Membership of the Committee

- 2.1 The Board appoints the Audit Committee members and its Chair.
- 2.2 All members of the Committee shall be Non-Executive Directors, with a minimum membership of three. Members of the Committee shall be independent of Management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.
- 2.3 The Chair shall be an independent Non-Executive Director and not the Chairman of the Board.
- 2.4 The Secretary of the Audit Committee is the Company Secretary.
- 2.5 Other Non-Executive Directors who are not Committee members may attend meetings of the Committee should they wish. The Managing Director & CEO and Chief Financial Officer (CFO) shall be invited by the Chair to attend part or all of any meeting of the Audit Committee. Representatives of the external auditor also have a standing invitation to attend Committee meetings. Selected other executives and managers may attend meetings of the Committee by invitation.
- 2.6 The Board shall review the membership of the Committee annually, in accordance with Section 7 below.

3. Administration

- 3.1 The Committee shall meet at least four times each year on pre-arranged dates scheduled to correspond with the Company's financial reporting cycle, or as often as the Committee members deem necessary in order to fulfil the Committee's responsibilities.
- 3.2 A quorum consists of two members of the Committee.

- 3.3 The CFO shall, in conjunction with the Chair of the Committee and the Managing Director & CEO, settle agendas for and arrange meetings of the Committee. The Chair may, at his or her discretion, ask for a paper on a particular topic to be prepared for consideration by the Committee. The preparation of papers to be presented to the Committee is the responsibility of Management. The agenda and discussion papers should be distributed to the members of the Committee at least one week prior to each meeting.
- 3.4 The Secretary shall be responsible for the Minutes of all Committee meetings with draft Committee minutes to be sent to the Chair of the Committee for review, and subsequently to other Committee members, as soon as practicable after each meeting. All Committee minutes shall be entered into a Minute Book maintained for that purpose. The Minute Book shall be available at all times for inspection by any Director.
- 3.5 The Committee may have access to financial, legal or other independent advisers as it reasonably determines.

4. Reporting

- 4.1 The Minutes of each Committee meeting shall be included in the Board papers for the next Board meeting following the Committee meeting. The Minutes shall include any relevant papers as attachments.
- 4.2 The Chair shall, if requested, provide a brief oral report to the Board on any material matters arising out of the Committee meeting and address any questions raised.

5. Responsibilities

The Committee shall be responsible for the following matters:

5.1 Summary

- a) Reviewing and making recommendations to the Board in relation to the interim financial statements, annual financial statements and accompanying ASX announcements, including a review of supporting processes, and significant accounting issues;
- b) Reviewing and advising the Board on the Company's relationship with the external auditor (including forming a policy on the provision of non-audit services and the rotation of external auditor personnel on a regular basis) and the external audit function generally;
- c) Reviewing the adequacy of the internal control processes in place in relation to financial reporting, including the appropriateness of treasury and financial risk management policies, and approving the appointment, scope and fees of the internal auditor;
- d) Reviewing the processes, and considering the reports, supporting Mineral Resource and Ore Reserve estimates.

5.2 Reviewing financial statements and supporting processes

- a) Monitoring the structure and performance of the financial reporting and treasury team.
- b) Reviewing the interim and annual financial statements and accompanying ASX announcements and discussing them with the external auditor prior to their release to

determine whether they are complete, reflect appropriate accounting principles and contain relevant disclosures. In discharging this responsibility the Committee shall review and assess:

- i. the appropriateness of the significant accounting policies adopted by Management in the preparation and presentation of financial statements;
 - ii. the scope and outcome of due diligence processes underpinning the financial statements;
 - iii. significant accounting and reporting issues, including the impact on the financial statements of recent accounting and regulatory pronouncements;
 - iv. significant judgments made by Management in preparing the financial statements, including any significant accounting estimates;
 - v. the consistency of accounting policies applied and application of new accounting standards; and
 - vi. recommendations to the Board prior to the Board approving the financial statements and preliminary announcements;
- c) Reviewing the Managing Director & CEO and CFO's written certifications in relation to the Company's financial statements and at least annually, the system of risk management and internal compliance and controls.

5.3 External Audit

- a) Establishing a policy for, and recommending to the Board, the appointment terms of engagement (other than fees) and removal of the external auditor; ;
- b) Approving the audit plan and audit fees of the external auditor prior to the commencement of statutory audit processes for a given financial year;
- c) Approving the quantum and nature of non-audit services to be provided by the external auditor;
- d) Monitoring the effectiveness and independence of the external auditor and confirming that the audit is conducted in accordance with applicable auditing standards and all other relevant accounting policies and standards;
- e) Reviewing the quality of audits conducted by the Company's external auditor and confirm the respective authority and responsibilities of the external auditor;
- f) Monitoring the relationship between Management and the external auditor; and
- g) Arranging for the Committee to meet with the external auditor without the presence of Management, at least twice a year.

5.4 Internal Controls

- a) Reviewing the adequacy, effectiveness and appropriateness of the Company's accounting control systems and policies;
- b) Reviewing and evaluating the controls and processes in place to ensure compliance with approved policies, internal controls, and applicable accounting standards and other requirements relating to the preparation and presentation of financial results;

- c) Confirming the reliability, integrity and effectiveness of accounting, treasury and hedging policies and financial reporting and disclosure practices;
- d) Approving the appointment, and removal, of the internal auditor including:
 - i. the role, scope, nature and suitability of the internal audit function;
 - ii. the internal audit programme and any changes to it; and
 - iii. the internal audit fees.
- e) Confirming that any internal control recommendations made by the internal or external auditor and approved by the Committee have been implemented by Management on a timely basis;
- f) Confirming the system of controls (including Information Technology system controls) effectively safeguards the assets as recorded in the financial statements of the Company; and
- g) Confirming that processes are in place such that accounting records are properly maintained in accordance with statutory requirements.

5.5 Mineral Resources and Ore Reserves

- a) Reviewing the processes for, and reporting of, the estimation of Mineral Resources and Ore Reserves of the Company;
- b) Reviewing Mineral Resource and Ore Reserve reports provided to the Committee by the Mineral Resources and Ore Reserves Management Committee and any external reviews undertaken on Mineral Resource or Ore Reserve estimates;
- c) Making an assessment of the competence of the Competent Person who provides the technical information to the Board;
- d) Meeting with the Competent Persons responsible for Mineral Resource and Ore Reserve estimates to understand:
 - the key assumptions underpinning the Mineral Resource and Ore Reserve estimates;
 - the key risks relating to the Mineral Resource and Ore Reserve estimates;
 - any anomalies or concerns relating to the Competent Person's report
 - any other issues raised by the Competent Person.

6. Decision Making Authority

- 6.1 This Committee is a review and advice committee. This Committee has no decision making authority on behalf of the Company and the Board and holds no delegated authorities from the Board except where decision making authorities are expressly stated in this Charter.
- 6.2 Express decision making authorities include:

- approving the audit plan and audit fees of the external auditor (paragraph 5.3 (b))
- approving the appointment, removal, fees and scope of work of the internal auditor (paragraph 5.4(d))

7. Review

- 7.1 The Board shall review the Charter and the Membership of the Committee when required, but ordinarily once per calendar year, to determine its adequacy for then current circumstances.
- 7.2 When necessary the Board may by resolution alter the responsibilities, the functions or the membership of the Committee. The Committee may also recommend to the Board the formal adoption of a revised Charter to improve the effect and the efficiency of the Committee.

Date of formal adoption	August 2008
Date of previous formal review	August 2009
Date of this review	October 2011
Date of next formal review	October 2012