



AUDIT AND RISK COMMITTEE CHARTER

CHARTER

The Audit and Risk Committee (“Committee”) is a committee of the board of Directors of the Company (“the Board”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for the Company’s external and internal audit processes.

The Committee shall have the power to conduct or authorise investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company’s outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member’s duties as a member of the Board.

The Committee has the duty to determine whether the Company’s financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

MEMBERSHIP AND COMPOSITION

The Committee shall consist of at least three Directors who shall serve on behalf of the Board of which all Directors are independent. The members shall be appointed annually by the Board following the AGM and shall meet the independence, financial literacy and experience requirements of the TSX and ASX.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chair of the Committee. In his or her absence, the Committee may appoint another person provided a quorum is present. The Chair will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.

MEETINGS

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chair will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chair, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than five (5) business days before the meeting.

The Committee shall meet no less than four (4) times per year or more frequently if circumstances or the obligations require.



DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

Financial Reporting and Disclosure

- i. Review and discuss with management and the external auditor at the completion of the annual examination:
 - a. the Company's audited financial statements and related notes;
 - b. the external auditor's audit of the financial statements and their report thereon;
 - c. any significant changes required in the external auditor's audit plan;
 - d. any serious difficulties or disputes with management encountered during the course of the audit; and
 - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- iii. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures, if applicable, and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- vii. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.
- viii. Oversee and enforce Company's public disclosure practices.

EXTERNAL AUDITOR

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- ii. Recommend to the Board of Directors the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.



- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:
 - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,
 - b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
 - c. approve in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the Toronto Stock Exchange with respect to approval of non-audit related services performed by the auditor.

INTERNAL CONTROLS AND AUDIT

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Assess the requirement for the appointment of an internal auditor for the Company.
- iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimise such risks to the Company.

RISK

Review and assess the adequacy and effectiveness of the Company's risk management framework and ongoing risk management program to:

identify all areas of potential risk;

ensure adequate policies and procedures have been designed and implemented to monitor and manage identified risks;

a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and proper remedial action is undertaken to address areas of weakness.

CORPORATE GOVERNANCE

1. The Committee is responsible for all matters relating to the governance of the Company and for reporting and making recommendations to the Board of Directors regarding such matters. Without limiting the generality of the foregoing, the Committee shall have the following duties:
 - a) Develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company;



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- b) Annually review the corporate governance principles and policies of the Company and, as appropriate, recommend changes to such principles and policies to the Board of Directors or management;
- c) Annually review compliance by the Company with all applicable regulatory requirements relating to corporate governance;
- d) Review, as appropriate, corporate governance issues, trends and proposed, new or amended regulatory requirements;
- e) Review, at least annually, the Committee structure of the Board of Directors and the operations (including Committee reporting to the Board of Directors and authority to delegate to subcommittees) of such Committees and, as appropriate, recommend to the Board of Directors changes to such structure and operations;
- f) Advise the Board of Directors with respect to the charters, structure and operations of the various Committees of the Board of Directors and qualifications for membership thereon, including policies for removal of members. In consultation with the Chair of the Board of Directors and the Chief Executive Officer of the Company (“CEO”), the Committee shall also make recommendations to the Board of Directors regarding which Directors should serve on the various Committees of the Board of Directors;
- g) Review any written shareholder proposal received by the Company and recommend to the Board of Directors the Company’s response; and
- h) Review proposed annual corporate governance disclosure before submission to the Board of Directors for approval.

CHARTER REVIEW

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

ADOPTION

This Policy was adopted by the Board on 28 August 2015.