

**ALIEN METALS LTD (THE "COMPANY")
AUDIT COMMITTEE TERMS OF REFERENCE**

ADOPTED BY THE BOARD ON 28 SEPTEMBER 2018

1. MEMBERSHIP

- 1.1 Members of the Audit Committee (the "Committee") may be appointed and/or removed by the Board. The Chairman of the Board shall not be a member of the Committee.
- 1.2 The Board shall ensure that the Committee shall at all times comprise not less than three independent directors of the Company the majority of whom must be financially literate as determined by the Chairman of the Committee.
- 1.3 The Board shall appoint the Committee Chairman, who shall be financially literate and an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to Chair the meeting.
- 1.4 The Board shall ensure that at all times, more than half of the members of the Committee shall be independent.
- 1.5 No one other than the Committee's Chairman and members is entitled to be present at a meeting of the Committee, although others may be invited to attend.

2. SECRETARY

- 2.1. The Company Secretary or their nominee shall act as the secretary of the Committee.

3. QUORUM

- 3.1. The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in or exercisable by the Committee.

4. MEETINGS

- 4.1. The Committee shall meet at least twice a year at appropriate times in the reporting and audit cycle, and otherwise as required.

5. NOTICE OF MEETINGS

- 5.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of its Chairman, any of its members, or at the request of the external auditors.
- 5.2. Unless otherwise unanimously agreed, notice of each meeting confirming the venue, time, date and conference call facilities, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, and all other non-executive directors, no later than three business days before the date of the meeting.

6. MINUTES OF MEETINGS

- 6.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest, and minute them accordingly.
- 6.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed and provided a conflict of interests does not exist, to all members of the Board.

7. ANNUAL GENERAL MEETING

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities, or in the unavoidable absence of the Chairman of the Committee, the Chairman of the Committee may appoint a member of the Committee his alternate for this purpose.

8. DUTIES

The Committee shall:

- 8.1. recommend to the Board of Directors at least once per calendar year:
 - 8.1.1. The external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services;
 - 8.1.2. The compensation of the external auditor.
- 8.2. oversee the work of the external auditor and shall be responsible for resolving any disagreements between management and the external auditor.
- 8.3. review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements.
- 8.4. review and, if appropriate having taken into account all relevant regulations and ethical guidance, approve, all proposals received for the provision of non-audit services by the external auditor, before the external auditor is engaged to undertake any non-audit service, considering the impact such non-audit services may have on the external auditor's independence.
- 8.5. at least annually, meet the external auditors, without management present, to discuss matters relating to its remit and any issues arising from the audit.
- 8.6. review and monitor the external auditor's independence and objectivity.
- 8.7. review the Company's annual report incorporating the financial statements, and shall submit a recommendation to the Board whether they should be adopted.

- 8.8. review each press release or stock exchange announcement pertaining to the Company's profit or loss, cash flow, or financial performance, prior to its release.
- 8.9. at least annually, satisfy itself of the adequacy of the procedures in place for the review of the release of financial information extracted or derived from the Company's financial statements.
- 8.10. monitor, and at least annually, review the effectiveness of the risk management systems.
- 8.11. ensure appropriate and proportionate procedures are at all times in place for:
 - 8.11.1. the proper recording and resolving of complaints received by the Company regarding accounting, internal financial controls, or auditing matters;
 - 8.11.2. the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
- 8.12. ensure appropriate arrangements are in place for the confidential reporting of any concerns about possible improprieties in respect of the Company and ensure arrangements are in place for proportionate and independent investigation of such matters and for appropriate follow-up action.
- 8.13. review its terms of reference at least every two years and recommend any necessary changes to the Board.

9. REPORTING

- 9.1. The Committee shall report to the Board, identifying any matter in respect of which it considers that action or improvement is needed, and shall make recommendations as to the steps to be taken.

10. OTHER

- 10.1. The Board of Directors shall be responsible for rectifying any breach of these terms of reference without undue delay.
- 10.2. The Company shall provide such induction and training for Committee members as may from time to time be required or a Committee member reasonably requests.
- 10.3. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

11. AUTHORITY

- 11.1. The Committee is authorised:
 - 11.1.1. To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
 - 11.1.2. To set and pay the compensation for any advisors employed by the Committee;
 - 11.1.3. To communicate directly with the internal (if any), and external, auditors;

- 11.1.4. To communicate directly with, and to require reports from, executive management;
- 11.1.5. To require or receive reports from any subsidiary company, or the executive management thereof;
- 11.1.6. To call any employee to be questioned at a meeting of the Committee, as and when required.

12. DISCLAIMER AS TO THE COMMITTEE'S RESPONSIBILITIES

- 12.1. In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the financial accounting functions are being conducted effectively and that the Company's financial reporting and disclosure objectives are being met and to enable the Committee to report thereon to the Board.