

# Audit and Compliance and Committee Charter

## Roles of the Board and Management

The Directors consider the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of a separate Audit Committee and given the size and composition of the Board, has decided that a formally constituted Audit Committee is no longer appropriate. The Board as part of its usual role will undertake audit committee related responsibilities and will carry out the functions set out in the Audit Committee Charter to ensure its objectives are met.

## Audit and Compliance Committee

The Board of Northern Minerals under the Charter, monitors control policies and procedures designed to safeguard the Company's assets and maintain the integrity of its financial reporting.

The Audit and Compliance Charter makes provision for a direct link between the Board and the external auditors. Further, it provides the Board with additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in financial statements.

The responsibilities of the Board under the Audit and Compliance Charter will include the following.

- Monitoring compliance with regulatory requirements.
- Improving the quality of the accounting function.
- Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.
- Liaising with external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Board will review the performance of the external auditors on an annual basis and meet with them at least twice during the year. Nomination of auditors will be at the discretion of the Board.

The Board also meets with and receives reports from the external auditors concerning any matters arising in connection with the performance of their respective roles, including the adequacy of internal controls.

## Audit Process

As part of Northern Minerals commitment to safeguarding integrity in financial reporting, its accounts are subject to annual audit by an independent, professional auditor, who also reviews the half-yearly accounts.

The auditor attends, and is available to answer questions at, the Company's annual general meetings.

## Auditor Independence

The Company has implemented procedures to monitor the independence and competence of its external auditors. Details of the amounts paid for both work and non-audit services are set out in the Company's annual report.

The Board will require that adequate handovers occur in the year prior to rotation of an audit partner, to ensure an efficient and effective audit under the new partner.