

Audit and Risk Management Committee Charter

Andean Silver Limited (ACN 645 578 454)

Adopted by the Board with effect on 1 December 2025

1. Introduction

Andean Silver Ltd (**Company**) is committed to conducting its business ethically and in accordance with the standards of corporate governance expected of an ASX listed business of its nature and scale. In determining these standards, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (as amended from time to time) have been referred to.

The board of directors of the Company (**Board**) has established an Audit and Risk Management Committee (**Committee**) and this charter (**Charter**) which details the role, responsibilities, composition, structure and operation of the Committee.

2. Role

The role of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting, financial reporting and risk management.

3. Membership

The Committee will comprise:

- (a) at least 3 members, all of whom are Non-Executive Directors and a majority of whom are independent;
- (b) an independent Non-Executive Director as Chair of the Committee (**Committee Chair**), who is not the chair of the Board;
- (c) members with sufficient technical expertise and knowledge to allow them to discharge the Committee's mandate effectively;
- (d) members that are financially literate (i.e. are able to read and understand financial statements); and
- (e) at least one member who has accounting and/or related financial management expertise (e.g. a qualified accountant or other financial professional).

The Board may appoint additional members to the Committee or remove and replace members of the Committee by resolution.

A Committee member will automatically cease to be a Committee member upon ceasing to be a Director of the Company.

4. Meetings and Administration

The Committee will meet as frequently as required to undertake its role effectively, and in any event, at least two times per year.

Two members of the Committee shall comprise a quorum and decisions are to be decided by a unanimous vote of members present and entitled to vote. Where decisions are not unanimous, the decision is to be decided by the Board.

The Company Secretary will be the secretary of the Committee and will act as the principal liaison between Executive Management and the Committee.

The Committee may invite other persons to attend meetings, if considered appropriate by the Committee Chair (for example Executive Management, external consultants or specialists).

Representatives of the external auditor are expected to attend at least one meeting of the Committee per year and have a discussion with the Committee without any management, staff or Executive Directors present. All Non-Executive Directors have a standing invite to attend for all or part of the meetings of the Committee if they wish (other than Executive Directors in relation to *in camera* discussions without management).

The Committee shall ensure:

- (a) each member of the Committee is given reasonable notice of every Committee meeting;
- (b) the Committee Chair calls a meeting of the Committee if requested by any Committee member, the Managing Director, Chief Executive Officer or the Company Secretary;
- (c) formal minutes of each Committee meeting are taken by the Company Secretary; and
- (d) any person who has a material personal interest in a matter being considered by the Committee is not present at a meeting of the Committee when that matter is being considered.

5. Responsibilities

The Committee is responsible for ensuring that the Board is kept regularly informed on all matters relating to audit, financial reporting, governance and risk management that might significantly impact upon the Company and its subsidiaries (**Group**), in a timely manner.

The Committee should maintain open lines of communication between the Board and the external auditors, to exchange views and information.

The Committee should ensure the Board understands the Group's structure, business and controls in order to adequately assess the significant risks of the Group.

The Committee must review and make recommendations to the Board in relation to:

- (a) the Group's financial statements prepared by Executive Management, reporting whether they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of the financial position and performance of the Group (including but not limited to conducting reviews of the Annual Report, Directors' Report, Annual Financial Statements and Half Yearly Financial Statements);
- (b) the integrity, adequacy and effectiveness of the Group's financial reporting and governance processes, including the appropriateness of the accounting judgements or choices exercised by Executive Management in preparing the financial statements;
- (c) the scope, adequacy and quality of audits conducted by both the Company's external and internal auditors (if and when the Company establishes an internal audit function);
- (d) significant internal or external audit findings and Executive Management's responses and related actions;
- (e) the appointment or removal of auditors;
- (f) the implementation of legislated major accounting changes;
- (g) the adequacy of policies and systems established to identify and disclose related party transactions and assess the propriety of any related party transactions;
- (h) the Company's tax governance;
- (i) the integrity, adequacy and effectiveness of the Company's non-financial reporting, including sustainability, climate-related and ESG disclosures, and the adequacy of internal controls supporting such disclosures;
- (j) management's performance against the Group's risk management framework, including whether it is operating within the risk appetite set by the Board;
- (k) review of any material incident involving fraud or a breakdown of the Group's risk controls and the 'lessons learned';
- (l) reports from management on new and emerging sources of risk and the controls, mitigation and other measures that management has put in place to deal with those risks;
- (m) changes that should be made to the Company's risk management framework or to the risk appetite set by the Board; and
- (n) the Group's insurance program, having regard to the Group's business and the insurable risks associated with its business, including appointment or replacement of the Group's insurance brokers.

The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Group or professional advisers, where appropriate.

The Board may, from time to time, delegate other responsibilities and functions to the Committee.

6. Authority

The Committee is generally authorised (within the scope of its responsibilities) to:

- (a) consult with and seek any information from the Company's external auditors, any internal auditors, any Director or employee of the Group, or any other external party;
- (b) access the Group's information and reports;
- (c) at the Company's expense, appoint, consult with and seek any advice from the Company's external advisors;
- (d) investigate any matters within the Committee's scope of responsibilities, or other matters when requested by the Board; and
- (e) require the attendance of any Director or employee of the Group at a Committee meeting.

7. Reporting to the Board

Following each Committee meeting, the Committee Chair (or a person nominated by the Committee Chair for that purpose) must report to the Board at its next meeting on all material matters and recommendations relevant to the Committee's duties and responsibilities. Where any Committee member has a contrary view to a Committee decision, that view is to be reported to the Board.

8. External Audit Arrangements

8.1 General responsibilities

As outlined above, the Committee shall report to the Board on external audit arrangements. More specifically, the Committee's responsibilities in relation to external audit arrangements include:

- (a) making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the Company's external audit firm;
- (b) monitoring the effectiveness and independence of the external auditors and resolution of disagreements between Executive Management and the auditor regarding financial reporting;
- (c) reviewing the terms of engagement for the external auditor;
- (d) reviewing the scope of the external audit with the external auditor, including identified risk areas;
- (e) monitoring the performance of the external audit, including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;

- (f) reviewing and assessing non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;
- (g) reviewing and monitoring Executive Management's responsiveness to the external audit findings; and
- (h) on a periodic basis, meeting with the external auditor without the presence of Executive Management.

8.2 Appointment of external auditors and scope of external audit

If a change in auditor is considered to be in the best interests of the Company, a formal tendering process will be undertaken. The external audit engagement be subject to a mandatory tender process at least once every ten (10) years.

The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust, so as to ensure selection of an appropriate auditor. The Committee will ensure that prospective auditors have been provided with a sufficiently detailed understanding of the Group, its operations, its key personnel and any other information, including group structures and financial statements that will have a direct bearing on each firm's ability to develop an appropriate proposal and fee estimate.

The Committee and the Board will consider the appointment, in conjunction with Executive Management. In selecting an external auditor, particular consideration will be given to:

- (a) whether the fee quoted is sufficient for the work required;
- (b) the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge; and
- (c) whether the work proposed is sufficient to meet the Company's needs and expectations.

The appointment of a new external audit firm will be placed before shareholders for ratification, at the next annual general meeting after the appointment is made.

8.3 Pre-approval of audit and non-audit services provided by external auditors

The Committee shall pre-approve all audit and non-audit services proposed to be provided by the Company's external auditors and shall not engage an external auditor to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company.

The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated, should present any pre-approval decision to the full Committee at its next scheduled meeting.

8.4 Financial reporting and internal controls

The Committee shall:

- (a) review the Company's half-year and annual financial statements to ensure compliance with relevant statutory and regulatory requirements;
- (b) assess Executive Management's selection of accounting policies and principles;
- (c) consider the external audit of the financial statements and the external auditor's report thereon, including an assessment of whether external reporting is consistent with Committee members' information and knowledge;
- (d) consider internal controls, including the Group's policies and procedures to assess, monitor and manage financial risks; and
- (e) assess if the external auditor's report is adequate for shareholder needs.

8.5 Assessment of the external audit and auditor independence

The Committee shall annually obtain and review a report by the external auditors describing (or meet, discuss and document) the following:

- (a) the audit firm's internal quality control procedures;
- (b) any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any enquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- (c) all relationships between the external auditor and the Group (to assess the auditor's independence).

The Committee shall review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company.

8.6 Rotation and succession planning

The Committee will discuss with the auditor the provisions the audit firm has in place for the rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner should be rotated at least every 5 years and the review partner should be rotated at least every 3 years.

8.7 Attendance at Company AGM

The Committee will ensure the Company's external auditor attends the Company's annual general meeting and is therefore available to answer questions about their audit.

9. Internal Audit Arrangements

If and when there is a need to establish an internal audit function, the Committee will review and make recommendations to the Board in relation to:

- (a) the appointment or removal of the head of internal audit;
- (b) the scope and adequacy of the internal audit work plan; and
- (c) the objectivity and performance of the internal audit function.

10. Management Sign-Off Procedure

In respect of the Company's annual, half-yearly and quarterly financial statements, the Chief Executive Officer and the Chief Financial Officer will provide a written declaration:

- (a) in terms of section 295A of the *Corporations Act 2001* (Cth); and
- (b) that their opinion has been formed on the basis of a sound risk management system and internal controls, which are operating effectively.

11. Risk Management

The Committee will conduct an annual review of the Company's Risk Management Policy and Framework. In addition, the Committee shall:

- (a) evaluate the adequacy and effectiveness of the Company's risk management framework and its processes for managing risk;
- (b) review Executive Management's performance against the Company's Risk Management Framework, including whether management is operating within the risk appetite set by the Board;
- (c) review management's processes for assessing the Company's risk culture and for embedding appropriate behaviours and accountabilities for risk;
- (d) review the Company's risk registers on a six-monthly basis and report to the Board;
- (e) identify material changes to the Company's risk appetite;
- (f) formulate an action plan to address areas of perceived risk and monitor implementation programs;
- (g) investigate any incident involving fraud or other break down of the Company's internal controls and "lessons learned";
- (h) oversee the Company's cyber-security posture, including testing, incident readiness, and remediation plans;

- (i) review the Company's business continuity, disaster recovery and crisis management plans;
- (j) review and approve proposed material risks disclosure in the Operations Review, contained within the Annual Report;
- (k) review and make recommendations on the strategic direction, objectives and effectiveness of the Company's risk management policies and practices;
- (l) consider internal controls including the Company's policies and procedures to assess, monitor and manage risks, and consider if there is a need to establish an internal audit function;
- (m) develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's Code of Conduct and Whistleblower Protection Policy and review documents on an annual basis;
- (n) review trends, root causes and remediation arising from whistleblower reports, and monitor the effectiveness of protections for whistleblowers and processes for escalating material matters to the Board; and
- (o) review the Group's insurance program, having regard to the Group's business and the insurable risks associated with its business.

12. Review

This Charter will be reviewed by the Board at least every three years, to ensure that it continues to reflect the letter and spirit of all applicable laws and regulations and the Company's commitment to its staff and the community.

13. Associated Documents

- (a) Board Charter
- (b) Code of Conduct
- (c) Policy on the Selection, Appointment and Rotation of External Auditors
- (d) Risk Management Policy
- (e) Risk Management Framework
- (f) Whistleblower Protection Policy