
BOARD CHARTER

1. INTRODUCTION

In carrying out the responsibilities and powers set out in this Charter, the Board:

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company and its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers, creditors and the community.

Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance. However, it does not consider that all the practices are appropriate for the Company due to the location, size, type and scale of the Company's operations.

2. SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters the Board is expressly required by law to approve, the Board has the following specific functions and responsibilities:

- (a) oversight of the business and affairs of the Company, including its control and accountability systems;
- (b) appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (c) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (d) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (e) ensuring the health, safety and well-being of employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees;
- (f) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (g) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (h) approving the annual, half yearly and quarterly accounts;
- (i) approving significant changes to the organisational structure;
- (j) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (k) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision-making;
- (l) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and

(m) meeting with the external auditor, at their request, without management being present.

3. COMPOSITION OF THE BOARD

- 3.1 The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate a successful strategic direction. Directors should clearly understand corporate expectations of them.
- 3.2 In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- 3.3 Whilst the Company is working toward:
- (a) the majority of the members of the Board being independent Directors; and
 - (b) the Chairman of the Board being independent,

it is noted that this composition is not currently reflected. As soon as practicable following listing on the ASX, the Board will seek to appoint two suitably qualified independent non-executive Directors. The Board is committed to good corporate governance and is seeking to achieve the Board composition requirements set out in the ASX Corporate Governance Principles and Recommendations.

- 3.4 All Directors – whether independent or not – are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest. To facilitate this, the Board shall provide a procedure for Directors to have access in appropriate circumstances to independent professional advice at the Company's expense.
- 3.5 Directors must declare immediately to the Board any loss of independence.
- 3.6 Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.
- 3.7 The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.
- 3.8 It is expected that non-executive Directors continually evaluate their other commitments, including the number of boards on which they serve, to ensure that each can be given proper time and attention. If a non-executive Director wishes to accept any additional directorships, they should first discuss this with the Chairman (or if the relevant non-executive Director is the Chairman, with the Board).

4. ROLE OF THE CHAIRMAN

- 4.1 The roles of Chairman and Managing Director must not be exercised by the same individual, and a person who has been Managing Director should not become Chairman.
- 4.2 Whilst the Chairman should be an independent Director, it is noted that the current Chairman is not independent. As noted above, as soon as practicable following listing on the ASX, the Board will seek to appoint two suitably qualified independent non-executive Directors and consider appointing one of those new independent non-executive Directors as Chairman.
- 4.3 There is a clear division of responsibility at the head of the Company. The division of responsibilities between the Chairman and the Managing Director should be agreed by the Board and set out in a statement of position or authority.

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- 4.4 The Chairman must be able to commit the time to discharge the role effectively.
 - 4.5 The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
 - 4.6 The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
 - 4.7 In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

5. BOARD COMMITTEES

- 5.1 To assist the Board in fulfilling its duties, the Board has established the following committees, each with written terms of reference:
 - (a) Audit Committee;
 - (b) Risk Committee; and
 - (c) Remuneration and Nomination Committee.
- 5.2 The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- 5.3 The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- 5.4 Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- 5.5 The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

6. COMPANY SECRETARY

- 6.1 When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- 6.2 The Company Secretary is to support the effectiveness of the Board by monitoring that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agenda and briefing material.
- 6.3 The Company Secretary is to facilitate the induction of new Directors.
- 6.4 The Company Secretary is to facilitate the implementation of Board policies and procedures.
- 6.5 The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- 6.6 The Company Secretary should be accountable to the Board, through the Chairman, on all governance matters.
- 6.7 All Directors have access to the advice and services provided by the Company Secretary.
- 6.8 The Board has the responsibility for the appointment and removal of the Company Secretary.

7. ACCESS TO INFORMATION AND ADVICE

- 7.1 All Directors have unrestricted access to company records and information in order to discharge their responsibilities effectively, except where the Board determines that such access would be adverse to the Company's interests.
- 7.2 All Directors may consult management and employees as reasonably required and with prior notification to the Managing Director as a matter of courtesy to enable them to discharge their duties as Directors.
- 7.3 Senior executives should supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- 7.4 The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received will be made available to all members of the Board.

8. BOARD'S RELATIONSHIP WITH MANAGEMENT

- 8.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director.
- 8.2 The Managing Director is responsible for:
- (a) the effective leadership of the Company;
 - (b) the preparation and implementation of development and operational plans to achieve the strategic, operational and financial objectives of the Company as determined by the Board;
 - (c) the management of the day to day affairs of the Company including its people, processes, policies and systems;
 - (d) the conduct of commercial negotiations with other entities;
 - (e) the development and maintenance of effective relationships with the Company's employees, shareholders, joint venture partners, governments at all levels and government agencies, suppliers and customers, and local landowners;
 - (f) ensuring that the Company complies with all applicable laws and regulations, including applicable listing rule disclosure requirements;
 - (g) reporting to the Board, or as directed by the Board, and providing prompt and full information regarding the conduct of the business of the Company; and
 - (h) ensuring all material matters that affect the Company are brought to the Board's attention.
- 8.3 Senior executives, including the Managing Director, should have a formal job description and employment contracts or letters of appointment describing their term of office, duties, rights and responsibilities, and entitlements on termination.
- 8.4 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

9. PERFORMANCE REVIEW

Once a year, the Board shall hold a meeting to review critically and discuss the performance of:

- (a) the Board as a whole;
- (b) its Committees; and
- (c) individual Directors.

If it is apparent that these are problems which cannot be satisfactorily considered by the Board itself, the Board may decide to engage an independent advisor to undertake this review.

10. INDUCTION

The Company Secretary in conjunction with the Remuneration and Nomination Committee will put in place induction procedures to allow new Directors to participate fully and actively in Board decision-making at the earliest opportunity. The induction program will be available to enable new Directors to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) the rights, duties and responsibilities of the Directors;
- (c) the roles and responsibilities of senior executives;
- (d) the role of Board Committees;
- (e) meeting arrangements;
- (f) Director interaction with each other, senior executives and other stakeholders.

Directors will be given access to continuing education to update and enhance their skills and knowledge. This could include education concerning key developments in the Company and in the industry and environment in which the Company operates.