

1. PURPOSE

The powers, duties and responsibilities and conduct of the Board are prescribed by and governed by the Corporations Act and the Company's Constitution.

The Board will determine the objectives and broad policies of the Company which must aim to enhance shareholder value. The Board will provide the overall strategic direction that is necessary to ensure that these policies are carried out, and will exercise stewardship of the Company's resources in a manner that enables the objectives to be met.

The Board Charter defines the operation of the Board of Directors, its role, composition and responsibilities and the separation of the role of the Board from that of the management.

2. MEMBERSHIP AND TERM

2.1 Membership

The Board shall consist of:

- (a) a majority of non-executive directors; and,
- (b) at least one member with appropriate technical and commercial skills relevant to the mining industry.

2.2 Independence

An independent director is a non-executive director and:

- (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment ;
- (c) is not a principal or employee of a professional adviser to the Company or its subsidiaries whose billings exceed five per cent of the adviser's total revenue. A director who is a principal or employee of a professional adviser will not participate in the provision of any service to the Company by the professional adviser;
- (d) is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company exceed five per cent of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceed five per cent of the customer's total operating costs;
- (e) has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

2.3 Term

The Board has not adopted a tenure policy. In accordance with the Constitution of the Company, no director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

2.4 Selection of new directors

Candidates for Board positions shall be nominated by the Nomination Committee, or, if there is no Nomination Committee, by the Managing Director for consideration by the Board. The whole Board shall decide on the recommendations of new directors made by the Committee or the Managing Director. In selecting new members for the Board, directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole. The directors shall endeavour to appoint individuals who would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company.

New directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment. New directors participate in an induction programme to enable them to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) their rights, duties and responsibilities; and
- (c) the role of Board Committees.

3. BOARD RESPONSIBILITIES

The Board has delegated authority for the operations and administration of the Company to the Managing Director.

The Board is responsible for:

- (a) appointing the Chief Executive Officer and review of his or her performance;
- (b) establishing of the long term goals and objectives of the Company and strategic plans necessary to achieve those goals;
- (c) monitoring the performance of management;
- (d) delegating clear responsibility and authority to the committees of the Board, the Chief Executive Officer and directors or groups of directors, and monitoring and reviewing regularly the performance of those who hold delegated powers;
- (e) defining the powers to be reserved to the Board;
- (f) reviewing and adopting annual budgets for the financial performance of the Company and monitoring those results on a monthly basis. This includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
- (g) approving major expenditures and transactions with other companies including acquisitions, disposals, joint ventures and significant supply arrangements;
- (h) supporting the Chief Executive Officer in the discharge of his responsibilities;
- (i) ensuring that the Company adheres to appropriate standards and values and that proper policies are developed and followed in relation to:
 - (i). compliance with laws,
 - (ii). safety, health and environment matters, and
 - (iii). corporate governance.
- (j) determining that the Company accounts are true and fair;
- (k) determining that satisfactory arrangements are in place for auditing the Company's financial affairs, including selecting and recommending any changes to auditors as required at general meetings, and that the scope of the internal audit is adequate; and,
- (l) reviewing the Board's structure and performance from time to time and making decisions on new appointments to the Board.

While responsible to the shareholders of the Company, the Board will have regard to the interests of the Company as a whole, including its employees in general, its customers and to the Company's social responsibilities to the communities where its operations have an impact.

4. INDEPENDENT ADVICE

The Board, or individual directors, may obtain independent professional advice if it (or the director) considers it necessary, with the costs to be borne by the Company.

5. CHAIRMAN

The Chairman shall be elected by the directors. Should the Chairman be absent from a meeting, the members of the Board present at the meeting have authority to choose one of their number to chair that particular meeting.

6. SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND MANAGING DIRECTOR

6.1 Chairman

The Chairman is responsible for:

- (a) leading the Board in its duties to the Company;
- (b) ensuring there are processes and procedures in place to evaluate the performance of the Board, its Committees and individual directors;
- (c) ensuring the Board performs its roles and functions;
- (d) managing the relationship between the Chief Executive Officer and the Board;
- (e) managing the business of the Board and presiding over its meetings, resolving differences between directors and seeing that decisions are reached promptly;
- (f) ensuring that all relevant issues are on the agenda and that all directors receive timely, relevant information to enable them to be effective members;
- (g) ensuring that each director fully participates in the Board's activities;
- (h) recommending to the Board for consideration the membership and functions of committees of the Board;
- (i) advising the Board, after appropriate consultation with all directors, on candidates for appointment as Chief Executive Officer, as this position becomes vacant from time to time, and for directors of the Company, as these positions become vacant from time to time, also making recommendations to the Board on the retirement or removal of the Chief Executive Officer and other directors from office;
- (j) developing an effective working relationship with the Managing Director or Chief Executive Officer
- (k) managing the business of the Nomination & Remuneration & Audit Committee, of which he or she shall be Chairman, and bringing forward in a timely manner relevant items of business to ensure the remits are delivered;
- (l) ensuring effective communication with shareholders; and
- (m) promoting the interests of the Company as a whole in relations with the Company's shareholders, governments, other public organisations, other companies and the public generally.

6.2 Managing Director

As the chief executive of the Company appointed by the Board under the Company's Constitution he or she is responsible to the Board for directing and promoting the profitable operation and development of the Company consistent with the primary objective of enhancing long-term shareholder value.

The Managing Director or Chief Executive Officer is responsible for:

- (a) undertaking his or her duties and exercise the powers which the Board assigns to the Executive or vests in the Executive;

- (b) complying with Company policies in performing duties and exercising powers under this agreement, adhere to reasonable management practices and procedures adopted by the Company from time to time;
- (c) devoting the whole of the Executive's time and attention and skill during normal business hours, and at other times as is reasonably necessary, to the duties of the Executive's office;
- (d) performing Executive duties and exercise Executive powers faithfully and diligently and must comply with the key performance indicators;
- (e) promoting the interests of the Company;
- (f) exercising executive stewardship of the Company's resources;
- (g) being responsible to the Board for the development of the Company and its profitable operation, including the profits, cash and costs;
- (h) preparing and submitting to the Board the Company's annual budget and the Company's objectives, policies, strategies and plans;
- (i) ensuring that such action is taken as is necessary to secure the timely and effective implementation of the objectives, policies, strategies and plans set by the Board and of other decisions taken by or on behalf of the Board;
- (j) ensuring that appropriate objectives, policies, strategies and plans are adopted for the Company, that appropriate budgets are set, performance is effectively monitored, and guidance or direction is given where appropriate;
- (k) ensuring that safety, health and environmental performance of the Company is implemented in line with the policies agreed by the Board;
- (l) recommending to the Chairman and the Nomination & Remuneration Committee appointments and nominations to senior positions which are direct reports;
- (m) leading the Company's processes for communicating to, and consulting with, employees;
- (n) keeping the Chairman and the Board informed as appropriate on his or her involvement in stakeholder relations, including relations with the Company's shareholders, governments, other public organizations, other companies and the public generally; and
- (o) regularly keeping the Chairman and the Board informed as appropriate on all matters that may be of importance to the Company, including its current performance and progress.

7. SECRETARY

The Company Secretary will be the Secretary of the Board.

8. BOARD MEETINGS

The Directors shall hold at least 6 meetings in each calendar year. Material for Board meetings is circulated to the directors in advance. The agenda for meetings is drawn up with input from the Chairman, the Managing Director and senior executives. Directors are free to nominate matters for inclusion on the agenda for each meeting.

9. MINUTES

Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to directors and approval or modifications are requested. When all directors are satisfied that the minutes accurately record the proceedings of the meeting, they are signed by the Chairman. The minutes are then ratified by the Board at the subsequent meeting.

10. REVIEW OF CHARTER

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives, responsibilities, and current practices.

11. OTHER MATTERS

A number of operational matters related to the Board such as meetings of directors, fees, "fit and proper" requirements, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternate directors, delegation and appointment of Committees and election of directors are governed by the Constitution of the Company and are not reproduced here.