BOARD CHARTER

Overview

This Charter summarises the role and responsibility of the Board of the Company.

The roles and responsibilities of the Board will evolve to reflect the changing circumstances of the Company as it grows and evolves. Accordingly, a regular review of this Charter will be undertaken to ensure it remains appropriate to the Company's needs.

Role of the Board

The Board's role is to govern the organisation rather than manage it. It is the role of senior management to manage the organisation in accordance with the direction of the Board.

The Board's key objectives are to:

- increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- ensure the Company is properly managed.

The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring the business and the affairs of the Company and determining the vision and objectives of the Company.

The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

Compliance with Laws

The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company and will at all times act in accordance with all relevant Company policies.

Each of the directors, when representing the Company, must act in the best interests of shareholders of the Company and in the best interests of the Company as a whole.

Responsibilities and Duties of the Board

Generally, the Board is responsible for:

a. Overseeing Gascoyne Resources Group, including its control and accountability systems;

b. Providing input into and final approval of management's development of corporate strategy and performance objectives;

c. Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;

d. Monitoring senior executives' performance and implementation strategy;

e. Ensuring appropriate resources are available to senior executives;

f. Approving and monitoring major capital expenditure, capital management and acquisitions and divestures; and

g. Approving and monitoring financial and other reporting.

The most significant responsibilities of the Board include: -

a. Stakeholder interests

   i. Serve the interests of members, customers, employees and the community
   ii. Build trust in Gascoyne through behaviour, transparency and accountability
   iii. Establish, review and monitor processes for corporate governance

b. Strategic

   i. Develop an in-depth understanding of each segment of the Company's business
   ii. Review, approve and monitor the strategic direction of each business segment, including the underlying plans and assumptions
   iii. Make decisions concerning the Company's capital structure, risk profile and portfolio weightings
   iv. Review, approve and monitor major investment and strategic commitments

c. Operational

   i. Establish performance goals for management, together with monitoring the achievement of these goals
   ii. Review business results, monitor budgetary control and review, approve and monitor necessary corrective actions and processes
   iii. Establish and maintain: -
      - an overall framework of internal control
      - appropriate ethical standards
   iv. Approve key executive appointments, and monitor and review remuneration and succession planning
   v. Approve the annual budget
   vi. Provide overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure the division of functions remain appropriate to the needs of the Company

d. Compliance

   i. Review and monitor the integrity of financial information produced and external reporting
   ii. Establish, monitor and review the risk assessment and management processes
   iii. Review and monitor processes for the documentation and regular review and updating of the Company's risk profile
   iv. Appoint the external auditor and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next AGM of the Company
   v. Monitor and ensure compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety

Composition of the Board

The Board requires that each of its Directors possess high standards of integrity and character. The Board will ensure processes are adopted to identify appropriate skills and characteristics required for the Board as a whole, and the Board's individual members in order for the Company to fulfil its goals and responsibilities.

The composition of the Board embodies the following: -

a. The Board should aim to comprise a majority of Non-Executive Independent directors, subject to the size and operations of the Company.

b. The Board shall be of such size and competence as necessary to understand properly and deal with the major issues of the business of the Company. The Managing Director should not also be the Chair of the Board.

Board Appointments

Directors maybe initially appointed by the Board, subject to re-election by shareholders at the next general meeting.

The Board will undertake appropriate checks before appointing a director. Where necessary, the Board will seek the advice of external advisers regarding the suitability of applicants for board membership.

Election / Re-election of Directors

The Board will undertake appropriate checks before putting a Director forward to shareholders as a candidate for election.

The Board shall provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Board Performance

The Chairman, will review the performance of the Board, its committees and individual directors each year to assist in a continuous improvement process to enhance the effectiveness of the Board.

A suitable non-executive director shall be responsible for the performance evaluation of the Chairman, after having canvassed the views of the other directors.

Operation of the Board

The Board may establish committees as it considers necessary or appropriate to assist it in carrying out its duties.

Resolutions at meetings of directors shall be decided by a majority and in the case of equality, the Chairman shall have a second or casting vote.

The Board will meet on an as required basis, cause Minutes of such meetings to be made and held in safe custody for Director access for seven years after their retirement.

The Board may also meet by electronic communication methods on a regular basis and ratify decisions by circular resolution.

Actual, potential or perceived conflicts of interest are to be discussed at each meeting to ensure independence is maintained.

Board members have access to members of senior management, following consultation with the Chairman.

The Company will maintain directors' and officers' insurance for each Director and Officer, including for seven years following their retirement, provided such insurance cover is realistically and financially available to the Company.

Directors are encouraged to undertake continuing education to keep up to date on relevant topical issues.

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as directors.

Board Committees

The Board has established Committees or Committee Charters to assist the Board in carrying out its duties.

The standing Board Committees are:

a. Audit and Risk Committee; and
b. Remuneration Committee

Each of these Committees has its own written Charter setting out its composition, role and responsibilities and the manner in which the Committee is to operate. Charters of these Committees are reviewed regularly and are available on the Company's website. Please note, that in some cases a Committee may in fact be the full Board

The Board may establish ad hoc Committees from time to time.

The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience.

The Chairman

The Chairman's role is to manage and provide leadership to the Board. The Managing Director is the direct link between the Board and the management of the Company.

The Managing Director is responsible for the management of the Company in accordance with the strategy, policies and programs approved by the Board.

Role and Responsibility of Management

Management of the day to day business of the Company is under the direction of the Managing Director.

Company Secretary

The Company Secretary shall be accountable directly to the Board on all matters to do with the proper functioning of the Board.

The decision to appoint or remove the Company Secretary shall be formally resolved by the Board.