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SECTION 1: BOARD CHARTER

1 **PREAMBLE**

An effective Board is one that facilitates the effective discharge of the duties imposed by law on the Directors and adds value in a way that is appropriate to the Company.

The Board is ultimately responsible for all matters relating to the running of the Company, however the Board's role is to govern the Company, rather than to manage it.

It is the role of the executive management to manage the Company in accordance with the direction and delegation of the Board and it is the responsibility of the Board to oversee the activities of the executive management in the carrying out of the delegated duties.

In carrying out the responsibilities and powers set out in this Charter, the Board of Emmerson Resources (**Company**):

- 1.1** recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the corporation as a whole and all shareholders equally ; and
- 1.2** recognises its duties and responsibilities to its employees, customers and the community.

2 **POLICY**

2.1 Specific matters reserved for the Board

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

- 2.1.1 the appointment and, where appropriate, the removal of the Chief Executive Officer and the determination of their terms and conditions of employment including remuneration and termination;
- 2.1.2 ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary, including ratification of their terms and conditions of employment, including remuneration and termination;
- 2.1.3 input into and final approval of management's development of the Company corporate strategic plan, including the corporate exploration and project development strategies as prepared and revised from time to time;
- 2.1.4 approving and monitoring of operating and exploration plans and budgets and the adequacy and integrity of internal geological data capturing, recording and

- reporting systems and the adequacy and integrity of internal and external financial and other reporting;
- 2.1.5 monitoring capital management and significant acquisitions and divestitures, including the review and approval of capital expenditure; monitoring cash management and the formal approval of management's delegated expenditure approval limits;
 - 2.1.6 input and approval of management's annual and longer term performance objectives and measures of performance against strategic and operating plans;
 - 2.1.7 monitoring, assessing and providing regular feedback to management on their performance in implementing corporate strategy, objectives, operating and exploration plans, and ensuring that appropriate resources are available to support management in these objectives;
 - 2.1.8 reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance, stakeholder engagement and communications policy;
 - 2.1.9 approving the annual and half yearly accounts and geological resource and reserve statements;
 - 2.1.10 approving significant changes to the organisational structure;
 - 2.1.11 approving remuneration policies and recruitment strategies as required;
 - 2.1.12 ratifying internal Company Occupational Health and Safety, Human Resources, Financial and other policies as appropriate;
 - 2.1.13 approving the issue of any shares, options, equity instruments or other securities in the Company, including a Company Share Purchase Plan (if any);
 - 2.1.14 ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making, including maintaining an appropriately documented and disseminated Corporate Code of Conduct;
 - 2.1.15 recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment if required to be approved by them; and
 - 2.1.16 meeting with the external auditor, at their request, without management.

2.2 Composition of the Board

- 2.2.1 The majority of the Board will be independent Directors. (An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement). Independent Directors should meet the definition of what constitutes independence as set out in the Australian Securities Exchange Limited (ASX) Corporate Governance Guidelines as explained in Annexure A.
- 2.2.2 The Board will be structured in such a way that it:
- (a) Has a proper understanding of, and competence to deal with, the current and emerging issues of the business;
 - (b) exercises independent judgement;
 - (c) encourages enhanced performance of the Company;
 - (d) can effectively review and challenge the performance of management; and
 - (e) the composition of the Board will be reviewed regularly to ensure the appropriate mix of skills and expertise is present in reference to the above.
- 2.2.3 Ultimately the Directors are elected by the shareholders, however the Board and its delegates play a crucial role in the selection of candidates for shareholder vote.
- 2.2.4 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.
- 2.2.5 Directors must disclose their interests. The independence of the Directors will be regularly assessed by the Board in light of the interests disclosed by them.
- 2.2.6 All Directors are expected to bring their independent views and judgement to bear on Board decisions. To facilitate this, the Board has in place an agreed procedure whereby, in appropriate circumstances, Directors have access to professional advice at the Company's expense.
- 2.2.7 Each Director must immediately declare to the Board any potential or active conflicts of interest.
- 2.2.8 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 2.2.9 No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without retiring and being re-elected by the shareholders.

- 2.2.10 Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee (if so formed) to ensure that they continue to contribute effectively to the Board.
- 2.2.11 The Board will as much as is practical will comprise of 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.

2.3 The role of the Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Boards' functioning.

- 2.3.1 The Chairman will be a non-executive Director and should be independent. If the Chairman ceases to be an independent Director then the Board will appoint a lead independent Director.
- 2.3.2 The Chief Executive Officer will not be the Chairman of the Company during his term as Chief Executive Officer and the Chief Executive Officer shall not go on to become Chairman of the Company.
- 2.3.3 The Chairman must be able to commit the time to discharge the role effectively, in this context the number of other positions and time commitments associated with them will be taken into account.
- 2.3.4 The Chairman is responsible for setting the agenda of the Board and of Board meetings, for conduct of Board meetings and conducting shareholder meetings.
- 2.3.5 The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- 2.3.6 In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman, who if practical will be an independent Director, for that meeting.

2.4 Board Committees

- 2.4.1 To assist the Board in fulfilling its duties, the Board has established an Audit and Risk Management Committee, and will establish the following committees when it considers appropriate, each with written terms of reference:
 - 2.4.2 Remuneration Committee;
 - 2.4.3 Nomination Committee; and
 - 2.4.4 Special purpose committees as deemed appropriate from time to time for specific purposes.

- 2.4.5 The charter of the Committees will be approved by the Board and reviewed following any applicable regulatory changes.
- 2.4.6 The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- 2.4.7 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.
- 2.4.8 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.

2.5 Board Meetings

- 2.5.1 There must be three Directors present either in person, via telephone or via video conferencing in a meeting to constitute a quorum.
- 2.5.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- 2.5.3 Non-executive Directors may confer from time to time without management being present, including at scheduled sessions. These sessions should be facilitated by the Chairman or lead independent Director, if any.
- 2.5.4 At times it may be appropriate for the independent Directors to meet without other Directors present – such discussions can be facilitated by the lead independent Director, if any.
- 2.5.5 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors within five business days after each meeting, unless impractical.
- 2.5.6 The Chief Executive Officer with the assistance of the Company Secretary is responsible for the preparation of Board papers for Board meetings.
- 2.5.7 The Company Secretary shall distribute the Board papers for each meeting of the Board at least five business days in advance of the meeting, unless impractical.
- 2.5.8 Minutes of meetings must be approved at the next Board meeting.
- 2.5.9 The place and time of the next scheduled Board meeting must be agreed at the conclusion of each Board meeting.

2.6 Company Secretary

- 2.6.1 When requested by the Board, the Company Secretary will facilitate the flow of information between the Board and its Committees and between senior executives of the Company and non-executive Directors.
- 2.6.2 There will be a formal induction of each new Director; the Company Secretary is responsible for facilitating each induction.
- 2.6.3 The Company Secretary is to facilitate the implementation of Board policies and procedures and monitor the adherence by the Board to them.
- 2.6.4 The Company Secretary is entitled to attend any meeting of Directors and is entitled to be heard on any matter dealt with at any of the meetings of Directors.
- 2.6.5 The Company Secretary is to provide advice to the Board on corporate governance matters and law.
- 2.6.6 All Directors have access to the advice and services provided by the Company Secretary.
- 2.6.7 The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.
- 2.6.8 The Company Secretary shall in consultation with the Chairman set and maintain a 12 month rolling timetable for Board Meetings
- 2.6.9 The Company Secretary is accountable to the board on all governance matters, through the Chairman.

2.7 Access to advice

- 2.7.1 All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.
- 2.7.2 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 2.7.3 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, in relation to the discharge of their respective duties as Directors of the Company. A copy of any such advice received is to be made available to all members of the Board.

2.8 The Boards Relationship with Management

- 2.8.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.
- 2.8.2 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with the Executive Management and other employees within the Company to enhance the carrying out of their duties as Directors.

2.9 Performance Review

When formed, the Nomination Committee shall conduct an annual performance review of the Board that:

- 2.9.1 compares the performance of the Board with the requirements of its Charter;
- 2.9.2 critically reviews the mix of the Board; and
- 2.9.3 suggests any amendments to the Charter as are deemed necessary or appropriate.

2.10 Disclosure Policy

The Board shall ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company.

ANNEXURE 1: DEFINITION OF INDEPENDENT DIRECTOR

1 PREAMBLE

All directors, whether independent or not, should bring an independent judgement to bear on all board discussions, deliberations and decisions.

2 DEFINITION OF INDEPENDENT DIRECTOR

2.1 An independent Director is a non-executive Director (i.e. is not a member of management) and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

Relationships which may affect independent status are:

- (a) is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (described in more details in paragraph 2.2 below);
- (b) is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (c) has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with the Company or another group member other than as a director.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence and should be disclosed by directors to the Board.

2.2 a “substantial shareholder” is a person with a substantial holding as defined in section 9 of the Corporations act, which includes the following considerations;

2.2.1 the total votes attached to voting shares in the Company, in which **they** or their **associates**:

- (i) have relevant interests (see paragraph 2.2.2); and

- (ii) would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements);

is 5% or more of the total number of votes attached to voting shares in the Company

2.2.2 A person has a relevant interest in securities if they:

- (a) are the holder of the securities; or
- (b) have power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises.

If 2 or more people can jointly exercise one of these powers, each of them is taken to have that power.

Extension to control exercisable through a trust, agreement or practice

2.2.2.1 Power or control includes:

- (a) power or control that is indirect; and
- (b) power or control that is, or can be, exercised as a result of, by means of or by the revocation or breach of:
 - (i) a trust; or
 - (ii) an agreement; or
 - (iii) a practice; or
 - (iv) any combination of them;

whether or not they are enforceable; and

- (c) power or control that is, or can be made, subject to restraint or restriction.

It does not matter whether the power or control is express or implied, formal or informal, exercisable alone or jointly with someone else. It does not matter that the power or control cannot be related to a particular security



CORPORATE GOVERNANCE POLICY

(Director name)

(address line 1)

(address line 2)

(address line 3)

(date)

Dear (director name)

In accordance with clause 2.2.5 of the Board Charter (regular assessment of the independence of Directors) I kindly request that you complete the questionnaire below and return it to the Company Secretary within seven (7) days.

The answers that you provide will aid the Board in assessing your independence as a Director, per the Australian Securities Exchange Corporate Governance and Principles (2nd edition), as adopted by the Company.

	Question	Yes or No
1.	<p>Are you employed, or have you previously been employed in an executive capacity by the Company or another group member in the 3 years prior to commencing your service on the Board?</p> <p><i>If so please provide dates of employment, position held and employer below:</i></p> <p>Dates of employment:</p> <p>Position held:</p> <p>Employer Company:</p>	
2.	<p>Have you in the last 3 years been a principal of a material professional adviser or a material consultant to the Company or any group member, or an employee materially associated with the service provided?</p> <p><i>If so please provide details of the consultancy below:</i></p> <p>Dates of consultancy:</p> <p>Consultant:</p> <p>Company consulted to:</p>	
4.	<p>Are you a supplier or customer of the Company or other group member, or are you an officer of or otherwise associated directly or indirectly with a supplier or customer?</p> <p><i>If so please provide details below:</i></p>	



CORPORATE GOVERNANCE POLICY

5.	<p>Do you have a contractual relationship with the Company or another group member other than as a director?</p> <p><i>If so please provide details of the contractual relationship below:</i></p> <p>Dates of contract:</p> <p>Contract for:</p> <p>Company contracted to:</p>	
6.	<p>Please list the number of shares held in the Company either directly (i.e. in person), or indirectly (i.e. by Superannuation fund, trust or private company) by yourself and members of your family (please designate):</p> <p style="padding-left: 20px;">Total direct and indirect shares held by self _____</p> <p style="padding-left: 20px;">Total direct and indirect shares held by _____</p> <p style="padding-left: 20px;">Total direct and indirect shares held by _____</p> <p style="padding-left: 20px;">Total direct and indirect shares held by _____</p> <p style="padding-left: 20px;">Total direct and indirect shares held by _____</p> <p style="text-align: center;">Total all Shares</p>	<p>Shares</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
7.	<p>Please list the number of shares held in the Company by your associates (as defined in Section 9 of the Corporations Act) over which <u>power</u> to exercise, or <u>control</u> the exercise of, a <u>right</u> to vote attached to the <u>securities</u> is available to you.</p> <p style="padding-left: 20px;">Associate name _____ Shares held _____</p> <p style="padding-left: 20px;">Associate name _____ Shares held _____</p> <p style="padding-left: 20px;">Associate name _____ Shares held _____</p> <p style="padding-left: 20px;">Associate name _____ Shares held _____</p> <p style="text-align: center;">Total all Shares</p>	<p>Shares</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>



CORPORATE GOVERNANCE POLICY

8.	Are you an officer of, or are you otherwise associated directly with (i.e. have other business dealing, agreements or arrangements with) a substantial shareholder of the Company <i>If so please provide details below:</i> Substantial shareholder name: Position held or nature of association: Substantial shareholder name: Position held or nature of association:	
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Signed as a complete and true declaration:

Director

Witness

Name (please print)

Name (please print)

DATE : ____/____/____

SECTION 2: CODE OF CONDUCT

1 **PREAMBLE**

Good Corporate Governance ultimately requires people of integrity throughout the entire spectrum of the Company. Personal integrity cannot be regulated, however stakeholder confidence is enhanced if the Company clearly articulates what it will regard as acceptable behaviour for directors, senior executives and all employees.

The purpose of this Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment.

This Code underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, customers, contractors, suppliers and stakeholders. This document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

2 **ACCOUNTABILITIES**

2.1 Directors, Managers and Supervisors

Managers and supervisors are responsible and accountable for:

- 2.1.1 undertaking their duties and behaving in a manner that is consistent with the provisions of this Code of Conduct;
- 2.1.2 the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- 2.1.3 ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

2.2 Employees

All employees are responsible for:

- 2.2.1 undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- 2.2.2 bringing to the attention of their immediate supervisor or line manager suspected corruption or other conduct that does not support the tenets of this Code; and
- 2.2.3 reporting immediately, and in writing if requested, to their supervisor or immediate line manager any departure from the Code of Conduct by themselves or others.

3 PERSONAL AND PROFESSIONAL BEHAVIOUR

When carrying out your duties, you should:

- 3.1.** behave honestly and with integrity and by your behaviour encourage other employees do to the same;
- 3.2.** carry out your work with integrity and to the highest applicable standard and in particular, commit to the Company's policy of conducting our exploration, mining and all associated activities to the highest industry standards;
- 3.3.** co-operate within the law at all times;
- 3.4.** follow the policies of the Company; and
- 3.5.** act in an appropriate business-like manner when representing the Company in any capacity, including commercial negotiations, joint venture relations, stake holder engagement and public forums.

4 CONFLICT OF INTEREST

- 4.1** Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

Some situations that may give rise to a conflict of interest include situations where you have:

- 4.1.1** financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
 - 4.1.2** shares in the Company's stock;
 - 4.1.3** directorships/management of outside organisations;
 - 4.1.4** membership of boards of outside organisations;
 - 4.1.5** personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
 - 4.1.6** secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
 - 4.1.7** access to information that can be used for personal gain.
- 4.2** You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise or be perceived by others to compromise your ability to exercise impartial decision making or perform your duties impartially.

- 4.3 You must report any potential or actual conflicts of interest to your immediate manager (or in the case of a director to the Chairman of the Board) and if the matter concerned is of a material or significant nature (or could be perceived by others to be of a material or significant nature), remove yourself from the evaluation and decision making processes.
- 4.4 If you are uncertain whether a conflict exists, you should discuss that matter with your supervisor or immediate line manager and attempt to resolve any conflicts that may exist.
- 4.5 You must not submit or accept any bribe, gift, or other improper inducement in relation to your employment and associated duties with the Company. Any such inducements are to be reported to your supervisor or immediate line manager.

5 PUBLIC AND MEDIA COMMENT

Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.

Employees must not make official comment on matters relating to the Company unless they are:

- 5.1 authorised to do so by the Managing Director and Chief Executive Officer; or
- 5.2 giving evidence in court; or
- 5.3 otherwise authorised or required to by law.

Employees must not release unpublished or privileged information unless they have the authority to do so from the Managing Director and Chief Executive Officer.

6 USE OF COMPANY RESOURCES

- 6.1 Requests to use Company resources outside core business time should be referred to your supervisor or immediate line manager for prior approval.
- 6.2 If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.
- 6.3 Employees using Company resources *without* obtaining prior approval may face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

7 SECURITY INFORMATION

- 7.1 Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. If you are unsure do not release or discuss the information. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

8 INTELLECTUAL PROPERTY/COPYRIGHT

- 8.1** Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.
- 8.2** The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary or Chief Executive Officer before making any use of that property for purposes other than as required in their role as employee.

9 DISCRIMINATION, BULLYING, INTIMIDATION AND HARASSMENT

- 9.1** Employees must not harass, bully, intimidate, discriminate, or support others who harass, bully, intimidate or discriminate against colleagues or members of the public in any way, including on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), personality and personality traits, physical or intellectual impairment, homosexuality or transgender.
- 9.2** Such harassment, bullying, intimidation or discrimination may constitute an offence under legislation. Supervisors and Managers must understand and apply the principles of Equal Employment Opportunity and are obliged to help ensure that a discrimination and harassment free workplace is maintained at all times.

10 GIFTS AND ENTERTAINMENT

- 10.1** All employees shall exercise the utmost care about giving or receiving business related gifts. This applies to direct payments and payments in kind, including the provision of goods or services, personal favours and entertainment (meal, travel, etc).
- 10.2** Accepting or offering gifts of nominal value (say under \$50) is acceptable in situations where it is legal and in accordance with common business practices. However, every gift or entertainment received (or given) must be reported to the Chief Financial Officer in accordance with the Company's prevailing policy.
- 10.3** Employees must not give or accept gifts of any kind in circumstances that could be reasonably regarded as unduly influencing the recipient or creating business obligation on the part of the recipient. If there is any doubt, the situation should be referred to the Chief Executive Officer or Chief Financial Officer.

The following gift items must not be given or accepted under any circumstances, regardless of their values:

- Cash, bank transfers, cheques, commissions of any kind;
- Drugs or other controlled substances;
- Product or services discounts that are not available to all employees;
- Personal use of accommodation or transportation, or payments of accommodation or transport accounts;
- Payments or loans to be used toward the purchase of personal property.

11 CORRUPT CONDUCT

11.1 Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- i. official misconduct;
- ii. bribery and blackmail;
- iii. unauthorised use of confidential information;
- iv. fraud; and
- v. theft of both information or property.

11.2 Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including summary dismissal will be taken in the event of any employee found participating in corrupt conduct.

12 OCCUPATIONAL HEALTH AND SAFETY

12.1 It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and internal company policies applicable to their respective work places, to act and ensure that others act in a safe manner at all times in the work place and to use security and safety equipment provided by the Company.

Specifically all employees are responsible for their own safety and for the safety of their work colleagues and all others in the work place by:

- 12.1.1 following the safety and security directives of supervisors and direct line management;
- 12.1.2 advising supervisors and line management of areas where there exists potential problem in safety and reporting (preferably in writing) un-safe work practices, suspicious occurrences or dangerous situations;
- 12.1.3 ensuring that they are physically and mentally capable of performing the tasks assigned to them;
- 12.1.4 undertaking tasks only in which they have been assessed competent to do so;
- 12.1.5 reporting safety incidents or infringements as soon as practicable; and
- 12.1.6 minimising risks in the workplace.

13 LEGISLATION

13.1 It is essential that all employees comply with the laws and regulations of the states and territories in which we operate. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to your supervisor or line manager.

14 FAIR DEALING

14.1 The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's suppliers, customers, joint venture partners, stakeholders and other employees.

15 INSIDER TRADING

15.1 All employees must observe the Company's "Guidelines for Buying and Selling Securities". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when directors, management and employees are permitted to buy and sell the Company's securities.

16 RESPONSIBILITIES TO SHAREHOLDERS AND THE INVESTMENT COMMUNITY IN GENERAL

16.1 The Company is committed to;

16.1.1 increasing shareholder value via the discovery then profitable mining and processing of mineral deposits;

16.1.2 the full, fair and accurate disclosure of financial information that will be prepared in accordance with the prevailing International Financial Reporting Standards and disclosed in accordance with Australian Securities Exchange time lines;

16.1.3 the full, fair and accurate disclosure of non financial information such as exploration results, interpretations and other such information in a timely manner.

17 BREACHES OF THE CODE OF CONDUCT

17.1 Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.

17.2 Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

18 REPORTING MATTERS OF CONCERN

18.1 Employees are encouraged to raise any matters of concern in good faith with their department head or with the Company Secretary and/or Chief Executive Officer.

18.2 If an employee has a concern with the behaviour of the Chief Executive Officer, the Company Secretary or any member of the Board in relation to this Code of Conduct then in the first instance they are encouraged to report the matter to the Chairman of the Board, or alternatively to the Company's Auditors – Ernst & Young (directly to the Partner managing the audit of the Company).



CORPORATE GOVERNANCE POLICY

19 COMPLIANCE WITH THIS CODE

19.1 Annually all Directors and employee's shall sign a certification (as per below) that they have read and understood the code of conduct and that they have acted in accordance with the code (or if not detail exceptions) in the preceding twelve months.

SECTION 3: AUDIT AND RISK COMMITTEE CHARTER

1 ROLE

The role of the Audit and Risk Committee is to assist the Board in focussing on issues relevant to;

- (a) the integrity of the company's financial reporting and compliance; and
- (b) the oversight of material business risks, including the review and approval of the risk management and oversight policies of the company.

Ultimate responsibility for the integrity of the company's financial reporting and the management and oversight of risk rests with the full board, the Audit and Risk Management Committee is an effective mechanism to aid the board in focussing on these issues.

This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

2 COMPOSITION

- 2.1** A majority of the members of the Committee will be independent Directors in accordance with the criteria set out in Appendix 2 of the Board Charter.
- 2.2** The Committee will comprise at least three members, at least one member must be a qualified accountant or other financial professional with experience in financial and accounting matters.
- 2.3** The committee shall be of sufficient size, independence and technical expertise so as to effectively discharge its mandate; the ability of the Committee to exercise independent judgement is vital.
- 2.4** All members of the Committee must be able to read and understand financial statements.
- 2.5** The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- 2.6** The Chairman of the Committee will not be the Chairman of the Board of Directors and will be an independent Director.
- 2.7** The Chairman shall have leadership experience and a strong finance, accounting or business background.

The external auditors, external risk management professionals, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and other senior Company executives, may be invited to Committee meetings at the discretion of the Committee. Invitation will be in writing, issued by the Chairman at least 3 business days prior to the meeting, the invitation will clearly state the purpose of attendance and any matters anticipated to be discussed with or presented by the attendee.

3 PURPOSE

3.1 The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- 3.1.1 the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- 3.1.2 compliance with all applicable laws, regulations and company policy;
- 3.1.3 the effectiveness and adequacy of internal control processes;
- 3.1.4 the performance of the Company's external auditors and their appointment and removal;
- 3.1.5 the independence of the external auditor and the rotation of the lead engagement partner; and
- 3.1.6 the identification and management of business risks.

3.2 A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The audit and risk management committee shall report to the full Board of Directors and the report shall address all matters relevant to the committee's duties and responsibilities.

4.1 Review of Financial Reports

- 4.1.1 review the half yearly and annual financial statements.
- 4.1.2 an assessment of whether external financial reporting is consistent with committee members information and knowledge and is adequate for shareholders needs.
- 4.1.3 receipt of assurances from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that they have provided a declaration in accordance with section 295A of the Corporations Act and that it is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
- 4.1.4 an assessment of the management processes supporting external reporting.
- 4.1.5 review and report to the board on the impact of any proposed changes in accounting policies on the financial statements.

4.2 Risk Management and Internal Control systems

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects.

The committee is charged with the oversight of the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.

4.2.1 The committee shall, at a minimum on an annual basis report to the board the adequacy of policies in place for the oversight and management of material business risk, included in the submission shall be:

4.2.1.1 an assessment as to the adequacy of managements report to the committee on its risk management oversight process, including managements effective adherence to the company's risk management policies;

4.2.1.2 a summary of the risk management policies;

4.2.1.3 an assessment as to whether or not the committee is satisfied that the policies are adequate for the risk profile of the company and that they adequately describe all elements of risk management and internal control systems.

4.3 Appropriateness of Accounting Principles

4.3.1 Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.

4.3.2 Oversee the financial reports and the results of the external audits of those reports.

4.4 External Auditors

4.4.1 Document procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners.

4.4.2 Recommendations to the board for the appointment or removal of the external auditor.

4.4.3 An assessment of the performance and independence of the external auditors. Where the external auditor provided non-audit services, the report to the board must state whether the audit committee is satisfied that provisions of these services has not compromised the auditors independence.

4.4.4 Meet with the external auditors as required without management being present, as the Committee considers appropriate.

4.4.5 Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.

- 4.4.6 Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- 4.4.7 Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act and with ASX requirements.

4.5 Internal Audit Function

- 4.5.1 Monitor the need for a formal internal audit function and its scope.
- 4.5.2 An assessment of the performance and objectivity of the internal audit function (if any).
- 4.5.3 Recommendations for the appointment or, if necessary, the dismissal of the head internal auditor (if any).
- 4.5.4 Review the Internal Control Reports at least half yearly.

4.6 Other

- 4.6.1 The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- 4.6.2 The Committee will oversee procedures for whistleblower protection.
- 4.6.3 As contemplated by the Corporate Governance Guidelines of ASX, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the Company's "Code of Conduct". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- 4.6.4 Monitor related party transactions.

5 MEETINGS

- 5.1** The Committee will meet at least each half year and additionally as circumstances may require for it to undertake its role effectively.
- 5.2** Meetings are called by the Secretary at the request of the Chairman of the Committee or as directed by the Board.
- 5.3** Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented following the unanimous receipt of a circular written resolution or conference call.
- 5.4** A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominee, the members shall elect one of their members as Chairman of that meeting.
- 5.5** Decisions will be based on a majority of votes with the Chairman having a casting vote.
- 5.6** The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.

5.7 Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6 SECRETARY

6.1 The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

6.2 The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

6.3 The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

6.4 The Secretary is entitled to attend any meeting of the committee and is entitled to be heard on any matter dealt with at any of the meetings of the Committee.

7 RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE

7.1 Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

7.1.1 an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

7.1.2 a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or

7.1.3 another Director or officer of the Group in relation to matters within the Director's or officer's authority.

8 ACCESS TO ADVICE

8.1 Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

8.2 Members of the Committee may meet with the auditors, both internal and external, without management being present.

8.3 Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

9 REVIEW OF CHARTER

9.1 The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.

9.2 The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.



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10 REPORT TO THE BOARD

- 10.1** The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- 10.2** The Committee must brief the Board promptly on all urgent and significant matters.

SECTION FOUR: REMUNERATION COMMITTEE CHARTER

1 GENERAL SCOPE AND AUTHORITY

1.1 The Remuneration Committee is a Committee of the Board established on [date to be advised]. This Charter may be subject to review by the Board at any time.

1.2 The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- 1.2.1 reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- 1.2.2 ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- 1.2.3 recommending to the Board the remuneration of executive Directors;
- 1.2.4 fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- 1.2.5 reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- 1.2.6 reviewing and approving the remuneration of director reports to the Managing Director, and as appropriate other senior executives; and
- 1.2.7 reviewing and approving any equity based plans and other incentive schemes, ensuring shareholder approval is granted where required.

1.3 The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

2 COMPOSITION

2.1 The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.

2.2 The Committee will be chaired by an independent Director who will be appointed by the Board.

2.3 The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

2.4 A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

3 SECRETARY

- 3.1** The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- 3.2** The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- 3.3** The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

4 MEETINGS

- 4.1** The Committee will meet at least once per year and additionally as circumstances may require.
- 4.2** Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- 4.3** A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- 4.4** Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- 4.5** Decisions will be based on a majority of votes with the Chairman having the casting vote.
- 4.6** The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

5 ACCESS

- 5.1** Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- 5.2** The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

6 DUTIES AND RESPONSIBILITIES

In order to fulfil its responsibilities to the Board the Committee shall:

6.1 Executive Remuneration Policy

- 6.1.1 Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
- 6.1.2 Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- 6.1.3 Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

6.2 Executive Directors and Senior Management

- 6.2.1 Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
- 6.2.2 Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director and Chief Executive Officer. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

6.3 Executive Incentive Plan

- 6.3.1 Review and approve the design of any executive incentive plans.

6.4 Equity Based Plans

- 6.4.1 Review and approve any equity based plans that may be introduced (Plans) in the light of legislative, regulatory and market developments.
- 6.4.2 For each Plan, determine each year whether awards will be made under that Plan.
- 6.4.3 Review and approve total proposed awards under each Plan.
- 6.4.4 In addition to considering awards to executive Directors and direct reports to the Managing Director and Chief Executive Officer, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
- 6.4.5 Review, approve and keep under review performance hurdles for each equity based plan.

6.5 Other

- 6.5.1 The Committee shall perform other duties and activities that it or the Board considers appropriate.

7 **APPROVALS**

7.1 The Committee must approve the following prior to implementation:

- 7.1.1 changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director and the Chief Executive Officer;
- 7.1.2 the Plans or amendments to current equity plans or executive cash-based incentive plans;
- 7.1.3 total level of awards proposed from equity plans or executive cash-based incentive plans; and
- 7.1.4 termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

SECTION FIVE: NOMINATION COMMITTEE CHARTER

1 GENERAL SCOPE AND AUTHORITY

- 1.1 The Nomination Committee is a Committee of the Board established on [to be advised]. This Charter may be subject to review by the Board at any time.
- 1.2 The primary purpose of the Committee is to support and advise the Board in:
 - 1.2.1 maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
 - 1.2.2 ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

2 COMPOSITION

- 2.3 The Committee shall comprise at least three non-executive Directors, the majority of whom must be independent, one of whom will be appointed the Committee Chairman and it is preferable that the Chairman of the Board Directors does not chair this committee
- 2.4 The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

3 SECRETARY

- 3.1 The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- 3.2 The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- 3.3 The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

4 MEETINGS

- 4.1 The Committee will meet at least once a year and additionally as circumstances may require.
- 4.2 Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- 4.3 Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- 4.4 A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman.
- 4.5 Decisions will be based on a majority of votes with the Chairman having a casting vote.

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- 4.6** The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

5 ACCESS

- 5.1** Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

- 5.2** The Committee may consult independent experts where the Committee considers this necessary to carry out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

6 RESPONSIBILITIES

- 6.1** The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- 6.1.1 identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- 6.1.2 approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- 6.1.3 assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board.
- 6.1.4 consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- 6.1.5 review directorships in other public companies held by or offered to Directors and senior executives of the Company;
- 6.1.6 review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- 6.1.7 arrange an annual performance evaluation of the Board, its Committee and individual Directors;
- 6.1.8 make recommendations to the Board on the appropriate size and composition of the Board; and
- 6.1.9 make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

SECTION SIX: DISCLOSURE – PERFORMANCE EVALUATION

1 POLICY

- 1.1** The Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.
- 1.2** The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.
- 1.3** The review will include:
- 1.3.1 comparing the performance of the Board with the requirements of its Charter;
 - 1.3.2 examination of the Board's interaction with management;
 - 1.3.3 the nature of information provided to the Board by management; and
 - 1.3.4 management's performance in assisting the Board to meet its objectives.
- 1.4** A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.
- 1.5** The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

SECTION SEVEN: TIMELY & BALANCED CONTINUOUS DISCLOSURE

1 PREAMBLE

- 1.1** The Company is committed to the timely and balanced disclosure of all material matters concerning it.
- 1.2** This policy is designed to ensure that the Company complies with Australian Securities Exchange (**ASX**) listing rules such that:
- 1.2.1 all investors have equal and timely access to material information concerning the Company – including its financial position, performance, ownership and governance.
- 1.2.2 Company announcements are factual and are presented in a clear and balanced way; the company acknowledges that “balanced” requires disclosure of both positive and negative information.

2 POLICY

- 2.1** The Company must comply with continuous disclosure requirements arising from legislation and the Listing Rules of ASX.
- 2.2** The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price of value of the Company’s securities, the Company must immediately disclose that information to the ASX.
- 2.3** The Company has irrelevant written procedures in place for compliance with this policy.
- 2.4** The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.
- 2.5** The Managing Director is responsible for;
- 2.5.1 the approval of all information disclosed to the ASX in accordance with Listing Rule 3.1, specifically that such information is
- (a) made in a timely manner;
 - (b) factual;
 - (c) does not omit material information; and
 - (d) is expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
- 2.5.2 all media comment and contact
- 2.5.3 all external communications such as analyst briefings and response to shareholder questions.

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2.6 The Company Secretary is responsible for:

- 2.6.1 overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders;
- 2.6.2 providing guidance to Directors and employees on disclosure requirements and procedures;
- 2.6.3 responding to any price queries from the ASX, ASIC or other regulatory body in accordance with Company procedures.

2.7 Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to ASX.

2.8 All information disclosed to the ASX is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

SECTION EIGHT: RISK MANAGEMENT

1 **PREAMBLE**

Risk management is the culture, processes and structures that are directed towards taking advantage of potential opportunities whilst managing potential adverse effects.

This policy outlines the systems, practices and procedures to be followed by the Company to ensure effective risk identification, management and compliance.

2 **POLICY**

2.1 The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

2.2 The Board has delegated to the Audit and Risk Management Committee responsibility for monitoring the Company's the risk management systems and reporting on its assessment of the effectiveness of such systems to the Board on a regular basis.

2.3 The Committee will submit particular matters to the Board for its approval or review. Among other things it will:

2.3.1 regularly submit a report on its assessment of the Company's risk management systems, practices and procedures in terms of effective risk identification and management and compliance with internal guidelines and external requirements;

2.3.2 assist management to determine the key risks to the businesses and prioritise work to manage those risks; and

2.3.3 review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

2.4 The Company's process of risk management and internal compliance and control includes:

2.4.1 identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.

2.4.2 formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.

2.4.3 monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

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- 2.5** To this end, comprehensive practises are in place that are directed towards achieving the following objectives:
- 2.5.1 compliance with applicable laws and regulations.
 - 2.5.2 preparation of reliable published financial information.
 - 2.5.3 implementation of risk transfer strategies where appropriate e.g. insurance.
- 2.6** The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at least annually on this specific matter to the Audit and Risk Management Committee.
- 2.7** The Board will review assessments of the effectiveness of risk management and internal compliance and control on at least an annual basis.

SECTION NINE: BUYING & SELLING COMPANY SHARES

1 PREAMBLE

- 1.1 Australian law prohibits insider trading and the Corporations Act and the Australian Securities Exchange (**ASX**) Listing Rules require the disclosure of any trading of Company securities by directors or their related entities.
- 1.2 Public confidence in the Company can be eroded if there is insufficient understanding about the Company's policies governing trading by "potential insiders".
- 1.3 These guidelines set out the policy on the sale and purchase of securities in the Company by its Directors, employees and contractors who are or are likely to be in possession of market sensitive information.
- 1.4 Directors, employees and long term contractors are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
- 1.5 The purpose of these guidelines is to assist Directors, employees and contractors to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

2 WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

- 2.1 This policy applies to both the sale and purchase of any securities of the Company. Currently the securities are:
 - 2.1.1 Shares in the Company listed on ASX;
 - 2.1.2 options to acquire Shares in the Company, not listed on ASX;
 - 2.1.3 shares in a company that the Company is in direct material discussions of any kind (eg Joint Ventures, Farm-In or Farm-Out, tenement acquisition or disposal etc); and
 - 2.1.4 any financial products issued or created over the Company's securities by third parties.

3 WHAT IS INSIDER TRADING?

3.2 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- 3.1.1 that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e., information that is 'price sensitive');

and that person:

- (a) buys or sells securities in the Company; or
- (b) procures someone else to buy or sell securities in the Company; or

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- (c) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

3.2 Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- 3.2.1 the Company (or one of its Joint Venture Partners) has a significant exploration drill intercept or exploration discovery on a Company owned mineral tenement;
- 3.2.2 the granting, disposal or loss of a significant mineral tenement;
- 3.2.3 the granting of or withdrawal from the Company of a licence to mine (or other such like permit) in relation to a mineral deposit;
- 3.2.4 the Company is considering a major acquisition or disposal of assets or a major Joint Venture or partnering opportunity;
- 3.2.5 the Company's ore resource or reserve calculations materially exceed (or fall short of) the markets expectations (i.e. Resource or Reserve significant upgrade or significant downgrade);
- 3.2.6 the threat of major litigation against the Company;
- 3.2.7 sales and profit results materially exceeding (or falling short of) the market's expectations;
- 3.2.8 a material change in debt, liquidity or cash flow;
- 3.2.9 management or business restructuring proposal; and
- 3.2.10 a share issue proposal.

3.3 Dealing through third parties

A person does not need to be a Director, employee or contractor of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors, employees or contractors through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates" in these guidelines).

3.4 Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information, i.e. it could be obtained from contractors, sub-contractors or any other source.

3.5 Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

4 GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

4.1 General rule

The time (**Trading Window**) for any Director, employee or contractor to buy or sell Company securities is limited to the one calendar month time period from the;

- 4.1.1 date of the Company's annual general meeting;
- 4.1.2 release of the quarterly results announcement to ASX;
- 4.1.3 release of the half yearly results announcement to ASX;
- 4.1.4 release of the preliminary final results announcement to ASX; or
- 4.1.5 release of a disclosure document offering securities in the Company.

However, if a Director, employee or contractor of the Company is in possession of price sensitive information which is not generally available to the market (i.e. has not been announced to the ASX by the Company), then he or she must not deal in the Company's securities at any time, regardless of whether the transaction would take place within a Trading Window.

The Company may at its discretion vary the length and timing of any Trading Window by general announcement to all employees either before or during the Trading Window period.

4.2 No short-term trading in the Company's securities

Directors, employees or contractors must not engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

4.3 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing or is party to a Joint Venture, Farm-In Farm-Out or any other agreement is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that a Joint Venture partner of the Company is about to announce a significant exploration discovery, they must not buy securities in either the other company or the Company. Likewise if the Company was about to announce a significant exploration discovery in an area held by another company (J/V partner), or an area owned by the Company

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that was contiguous or nearby a mineral tenement held by another company then they must not buy shares in that other company.

4.4 Exceptions

Directors and all employees may at any time:

- 4.4.1 acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- 4.4.2 acquire Company securities under a bonus issue made to all holders of securities of the same class;
- 4.4.3 acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- 4.4.4 acquire, or agree to acquire or exercise options under a Company share option plan;
- 4.4.5 withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan; and
- 4.4.6 acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme.

4.5 Collateralisation of the Company's Securities (Margin Lending)

- 4.5.1 The Company has an obligation under ASX listing Rules (rule 3.1B) to provide to the ASX with any information in relation to any "false market" that may exist or be likely to exist for the securities of the Company.
- 4.5.2 The existence and terms of any finance arrangements that may be in place in relation to directors' shareholdings (for example: margin loans), may be precipitous to the existence of a false market in the securities of the Company where a director has entered into the margin loan or similar funding arrangements, **for a material number of securities** where such financing may allow the financier to unilaterally sell securities of the Company held by the Director.
- 4.5.3 The ASX has advised Company's that [listing rule 3.1](#), in appropriate circumstances, may operate to require the Company to disclose the key terms of the arrangements, including the number of securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.
- 4.5.4 Whether a margin loan arrangement is material under [listing rule 3.1](#) is a matter which the Company must decide having regard to the nature of its operations and the particular circumstances of the Company
- 4.5.5 Whilst the Company does not wish to unnecessarily request that Directors disclose their personal financial arrangements, it is a requirement of Directors

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that they notify the Company (via the Company Secretary) of the key terms of arrangements pertaining to any financing of securities of the Company which they have an interest in where it is reasonable to expect that the terms and conditions of such financing may result in the unilateral selling of the securities.

4.6 The Company currently operates an employee option plan and accordingly must note that:

- 4.6.1 it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs during one of the one month period (trading windows) specified in paragraph 4.1; and
- 4.6.2 where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.
- 4.6.3 Were this to occur at a time when the person possessed inside information then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

4.7 Notification of periods when Directors, employees or contractors can trade

- 4.7.1 The Company Secretary will endeavour to notify all Directors, employees or contractors of the times when they are permitted to buy or sell the Company's securities as set out in paragraph 4.1.

5 APPROVAL AND NOTIFICATION

- 5.1** Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman of the Board before doing so.
- 5.2** If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities the Chairman must obtain the prior approval of all of the other members of the Board before doing so.
- 5.3** Any first or second line reports of the Chief Executive Officer wishing to buy, sell or exercise rights in relation to the Company's securities must obtain his prior approval before doing so.
- 5.4** All notices for prior approval to buy or sell must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- 5.5** Any Director or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring. This notification obligation operates at all times but does not apply to



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acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

5.6 The form to complete and send to the Company Secretary is available on request from the Company Secretary and a copy is attached to this policy.

6 ASX AND OTHER SECURITIES EXCHANGES NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by ASX. A copy of the required form is attached to this policy.

7 EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's and other company's securities.

8 ADDITIONAL INFORMATION

If you are unsure of your situation with respect to share trading or if you have any questions arising from these guidelines, you may contact one of the persons listed below.

Shane Volk
Chief Financial Officer
Ph. (08) 9489 7078
Fax (08) 9489 7070
Mob. 0448871175
svolk@emmersonresources.com.au

Andrew McIlwain
Chairman
Ph. (03) 9871 5067
Fax (08) 9489 7070
Mob. 0419044610
andrew@mcilwain.com.au



CORPORATE GOVERNANCE POLICY

ADVICE of PURCHASE or SALE of Shares or Options

(This form is required to be completed by all employees of the Company who have purchased or sold Shares of the Company. Employee's who are first or second reports to the Chief Executive Officer are required to receive prior written approval of the Chief Executive Officer prior to buying or selling any shares or options of the Company – reference Corporate Governance Policy 01:09)

To: COMPANY SECRETARY

From : _____

Date : _____

Please be advised of the following PURCHASE / SALE *(delete one)* of SHARES / OPTIONS *(delete one)* of the Company

Date of PURCHASE / SALE _____

Number of Shares or Options _____

	Held in your name	Held beneficially (i.e. by wife, self managed super fund, private company etc.)
Number of securities held prior to this transaction		
SHARES		
OPTIONS		
Number of securities held after to this transaction		
SHARES		
OPTIONS		

Signed : (employee) _____

Signed : _____
Company Secretary

Date: _____



CORPORATE GOVERNANCE POLICY

Request to Buy or Sell Company Shares (or Options)

(This form is required to be completed by employees of the Company who are first or second reports to the Chief Executive Officer of the Company prior to the employee buying or selling any shares or options of the Company – reference Corporate Governance Policy 01:09)

To: Managing Director, and Chief Executive Officer

From : _____

Date : _____

I hereby seek your approval to BUY / SELL (delete one) the following SHARES / OPTIONS (delete one) in the Company as per the details provided below

Date range for proposed buy or sell transaction

Start date:

End Date:

Propose Number of Shares or Options

Signed : (employee)

Approval is hereby GRANTED / WITHHELD (delete one) for the purchase of the above mentioned SHARES / OPTIONS of the Company

Reason with withholding approval :

Signed :

Chief Executive Officer

Date:



CORPORATE GOVERNANCE POLICY

Request for Approval - Purchase, Sale or the Exercise of right in relation to Company Securities

(This form is required to be completed by Directors of the Company prior to the purchase or sale of any shares or options, or the exercise of options in relation to the shares of the Company – reference Corporate Governance Policy 01:09)

To: Chairman of the Board of Directors

From : _____

Date : _____

I hereby seek your approval to BUY / SELL / EXERCISE (delete one) the following SHARES / OPTIONS (delete one) of the Company as per the details provided below

Date range for proposed buy or sell transaction

Start date:

End Date:

Propose Number of Shares or Options

Signed : (employee)

Approval is hereby GRANTED / WITHHELD (delete one) for the purchase of the above mentioned SHARES / OPTIONS of the Company

Reason with withholding approval : _____

Signed :

Chairman of the Board of Directors

Date:



CORPORATE GOVERNANCE POLICY

Change of Directors Interest Notice

To: **COMPANY SECRETARY**

From : _____

Date : _____

Please be advised of the following PURCHASE / SALE / EXERCISE (delete one) of SHARES / OPTIONS (delete one) of the Company

Date of PURCHASE / SALE _____

Number of shares or Options _____

Value/Consideration (this transaction) _____

	Held in your name	Held beneficially (i.e. by wife, self managed super fund, trust, private company etc.)
Number of securities held prior to this transaction	SHARES	
	OPTIONS	
Number of securities purchased (sold) this transaction	SHARES	
	OPTIONS	
Number of securities held after to this transaction	SHARES	
	OPTIONS	

Nature of beneficial interest: _____

Signed : (director) _____

Signed : _____
Company Secretary

Date: _____

SECTION TEN: SHAREHOLDER COMMUNICATIONS STRATEGY

1 **PREAMBLE**

- 1.1** The Company respects the rights of shareholders and is committed to facilitating the effective exercise of those rights.
- 1.2** The Company is committed to the empowerment of shareholders by:
- 1.2.1 communicating effectively with them
 - 1.2.2 giving them ready access to balanced and understandable information about the company and corporate proposals
 - 1.2.3 making it easy of them to participate in general meetings

2 **STRATEGY**

- 2.1** Effective shareholder communication is primary about the empowerment of shareholders, the Company will communicate to shareholders in a timely and balanced fashion through:
- 2.1.1 the Company's website, www.emmersonresources.com.au on which the Company posts all disclosures and announcements which it makes to ASX;
 - 2.1.2 the quarterly reports to the ASX which are placed on the Company's website;
 - 2.1.3 the Company's Annual Report delivered by electronic post, post and also placed on the Company's website;
 - 2.1.4 notices and explanatory memoranda of the Company's annual general meetings (AGM) and extraordinary general meetings (EGM), copies of which are placed on the Company's website;
 - 2.1.5 the Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
 - 2.1.6 the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report; and
 - 2.1.7 Electronic distribution of information through email communication.
- 2.2** Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to ASX, including the release of the annual, half yearly and quarterly reports to the ASX. Links are made available to the Company's website on which all information provided to ASX is immediately posted.
- 2.3** The Company will review its website on an ongoing basis to identify ways in which it can promote its greater use by shareholders and make it more informative.



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- 2.4** At least three historical years of the Company's Annual Report will be provided on the Company's website.
- 2.5** Shareholders queries should be referred to the Company Secretary in the first instance