

1. INTRODUCTION

In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the shareholders of Bannerman Resources Limited (“the Company”), as well as its employees, customers, and the community.

2. PURPOSE AND ROLE

2.1 The Board is responsible for:

- a. charting the direction, strategies and financial objectives of the Company and ensuring appropriate resources are available;
- b. evaluating the performance of non-executive Directors, and determining the size and composition of the Board as well as recommending to shareholders to shareholders for the appointment and removal of directors;
- c. evaluation the performance of and selecting the Chief Executive Officer (“CEO”);
- d. reviewing on a regular and continuing basis:
 - i. executive succession planning (in particular for the CEO); and
 - ii. executive development activities; and
- e. setting non-executive Directors remuneration in accordance with shareholder approved limits, and the remuneration and conditions of service of the CEO and those executives reporting directly to the CEO;
- f. monitoring the implementation of those policies and strategies and the achievement of those financial objectives and performance against the strategic plan and budgets;
- g. monitoring compliance with control and accountability systems, significant disclosures to the market regulatory requirements and ethical standards;
- h. ensuring the preparation of accurate financial reports and statements;
- i. reporting to shareholders and the investment community on the performance and state of the Company;
- j. ensuring that appropriate audit arrangements are in place;

- k. ensuring that effective and appropriate reporting systems in place will, in particular, assure the Board that proper financial, operational, compliance and risk management controls function adequately; and
- l. considering the health, social, safety, ethical and environmental impacts of the Company's activities and ensuring appropriate policies and practices are in place.

2.2 In performing the responsibilities set out above, the Board acts at all times:

- a) in a manner designed to create and build sustainable value for shareholders; and
- b) in accordance with the duties and obligations imposed upon them by the Company's Constitution and by law.

3. POWERS

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- a) appointing and removing the CEO and determining his or her terms and conditions of employment (including remuneration);
- b) authorising borrowings and the granting of security over the company or any of its assets other than in the ordinary course of business;
- c) any matters in excess of discretions that, from time to time, it may have delegated to the CEO and senior management (for instance, in relation to capital expenditure);
- d) approving each of the following, on the recommendation of the CEO where appropriate:
 - i. the strategic plan;
 - ii. the budget, at least annually;
 - iii. the appointment and, where appropriate, the removal of the Chief Financial Officer, Company Secretary, and other senior executives reporting to the CEO;
 - iv. the remuneration and conditions of service, including financial incentives, for the Chief Financial Officer, and other senior executives reporting to the CEO;
 - v. significant changes to organisational structure and appointment of such senior executives as the Board may determine;
 - vi. the acquisition, establishment, disposal or cessation of any significant business of the Company;
 - vii. any public statements which reflect significant issues of the Company policy or strategy; and
 - viii. any changes to the discretions delegated by the Board.
- e) approving the issue of any shares, options, equity instruments or other securities in the Company.

4. BOARD MEMBERSHIP

- 4.1 The Board comprises a majority of independent directors.
- 4.2 The Board comprises directors with appropriate competencies to enable the Board to discharge its mandate effectively and is limited to a size that is conducive to effective and efficient decision making.
- 4.3 In assessing the composition of the Board, the Directors have regard to the following policy;
- the Chairman should be non-executive and independent;
 - the role of the Chairman and CEO should not be filled by the same person;
 - the CEO should be a full-time employee of the Company;
 - the majority of the Board should comprise Directors who are both non-executive and independent; and
 - the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the company.

5. APPOINTMENT

- 5.1 Letters of appointment for each new appointment to the Board set the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work.
- 5.2 The Chairman and CEO with assistance from the Company Secretary and will provide an induction for new directors appointed to the Board.

6. TERM OF OFFICE

- 6.1 A director, subject to circumstances prevailing at the time and the Board's ability to find a suitable replacement, retires from the board at:
- the conclusion of the Annual General Meeting occurring immediately before the director's whichever first occurs;
 - the third anniversary date of appointment, or in accordance with the rotation requirements of the Company's Constitution, whichever is the earlier; or
 - the conclusion of the Annual General Meeting occurring after the tenth anniversary of the director's first appointment or election to the Board.

7. BOARD SUCCESSION PLANNING

- 7.1 The Board reviews annually the size and composition of the Board and the mix of existing and desired competencies across members at least annually.
- 7.2 The Board may engage an independent recruitment firm to undertake a search for suitable candidates.

8. NOMINATIONS AND APPOINTMENT OF NEW DIRECTORS

8.1 Recommendations for nomination of new directors are made by the Remuneration, Nominations and Corporate Governance Committee and appointments approved by the Board as a whole.

9. PROFESSIONAL ADVICE

9.1 Directors may, in carrying out their duties owed to the company, seek external professional advice.

9.2 They are entitled to reimbursement of all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by at least two Board members.

10. INDEPENDENCE

10.1 The Board has approved a Policy on Independence of Directors.

10.2 The purpose of this policy is to:-

- describe the test that will be used and the criteria that will be taken into account by the Board when assessing the independence of each Director;
- identify the information that will be collected from each Director to make the assessment of independence; and
- outline the disclosure to shareholders of the assessment of independence of Directors, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of a Director.

10.3 The policy provides that the independence of a Director will be assessed by determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

11. BOARD CODE OF CONDUCT

11.1 The Board has approved a Code of Conduct for Directors which describes the standards of ethical behavior that Directors are required to maintain.

11.2 The Code of Conduct describes Bannerman's policies on matters such as confidentiality, conflicts of interest and sound board practices.

- a copy of that report is provided to the Chairman; and
- the contents of the report are then discussed by the full Board.

12. INDUCTION TRAINING AND CONTINUING EDUCATION

12.1 Induction training is provided to all new Directors. It includes comprehensive meetings with the CEO and key executives and management, information on key corporate and Board policies, visits to the Company's principal operations and completion of compulsory safety inductions.

12.2 All Directors are expected to maintain the skills required to discharge their obligations to the company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the company where appropriate.

12.3 The Board has a formal induction procedure for new board members.

13. BOARD COMMITTEES

13.1 The Board from time to time establishes committees to assist it in carrying out its responsibilities, and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

13.2 The Board has established the following committees:

- a) a Audit Committee;
- b) a Remuneration, Nomination and Corporate Governance Committee; and
- c) a Health, Safety and Environment Committee.

13.3 Minutes of all standing committee meetings are provided to all Directors and the proceedings of each meeting are reported by the Chair on the committee at the next Board meeting.

14. THE CHAIRMAN

The directors elect one of their number to the office of Chairman and may determine the period for which that director is to be Chairman.

14.1 the Chairman presides over meetings of the Board and general meetings of shareholders.

14.2 the Chairman is responsible for leading and managing the Board in the discharge of its duties.

15. THE CHIEF EXECUTIVE OFFICER

15.1 The CEO's duties are to:

- a) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- b) be accountable for planning, coordinating and directing the operations of the Company to achieve strategic, financial and operating objectives as agreed with the Board;
- c) formulate and recommend business and financial strategies and plans to develop the Company's business and to implement these plans to achieve agreed performance targets;
- d) promote the interests of the Company with stakeholders and the investment community; and
- e) faithfully and diligently perform the duties and exercise the powers:
- f) consistent with the position of a chief executive officer of the Company; and
- g) assigned by the Board.

15.2 In fulfilling his or her duties, the CEO:

- a) reports directly to the board;

- b) provides prompt and full information to the board regarding the conduct of the business of the Company;
- c) complies with reasonable directions given by the Board; and
- d) must have regards to the requirements of the ASX Listing Rules and expectations of stakeholders and the wider investment community.

16. THE COMPANY SECRETARY

16.1 The Company Secretary supports the effectiveness of the Board by:

- a) monitoring that the Board policy and procedures are followed;
- b) coordinating the completion and dispatch of Board agendas and briefing papers; and
- c) maintaining compliance systems which ensure the Board and Company adhere to ASX, TSX and NSX Listing Rules and the Australian Corporations Act and Canadian Securities Law, Securities Act.

16.2 The Company Secretary is responsible to the Board, through the Chairman, on all governance matters.