

RIVERSDALE RESOURCES LIMITED

(the "Company")

BOARD CHARTER

ADOPTED ON 12 FEBRUARY 2018

1. INTRODUCTION

The objective of the Company is to:

- deliver long term value to our shareholders;
- identify and develop growth opportunities;
- demonstrate our commitment to our employees by ensuring their safety and rewarding excellent performance;
- operate in a fashion that meets appropriate environmental standards; and
- earn the respect and co-operation of the communities in which we operate,

(Corporate Objective).

This Board Charter sets out the Company's commitment to effective corporate governance.

The Board will review and update this Board Charter at least annually and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current law and best practice.

2. THE COMPOSITION, ROLE AND RESPONSIBILITIES OF THE BOARD

2.1 Composition of the Board

A majority of the Board will be independent Directors.

The Board considers an independent director to be a non-executive director who 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.

The Board will have the balance of non-executive and executive Directors that is effective for the promotion of shareholder interests and the governance of the Company.

The Board will periodically review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate to achieve the Corporate Objective.

Non-executive Directors will be engaged through a letter of appointment.

The Board will determine the level of remuneration paid to Board members within limits approved by shareholders.

2.2 Shareholders

The Board is appointed by the shareholders.

The Chairman (or a non-executive Director nominated by the Chairman) will act as the Board's representative in relation to shareholders and will communicate the Board's position to shareholders as appropriate.

2.3 Role of the Board

The Board is responsible for the overall performance of the Company and accordingly takes accountability for monitoring the Company's business and affairs and setting its strategic direction, establishing policies and overseeing the Company's financial position.

The Board is responsible for:

- representing the shareholders and promoting and protecting the interests of the Company;
- charting the direction, strategies, and performance and financial objectives of the Company;
- providing input into, approving and monitoring the implementation of the direction, strategies and performance and financial objectives of the Company;
- setting the Company's values and standards of conduct, including those in respect of governance, the environment and safety, and ensuring that these are adhered to;
- reviewing, ratifying and monitoring systems of risk management, internal control and codes of conduct;
- monitoring compliance with legal and regulatory requirements, ethical standards and external commitments and, generally, safeguarding the reputation of the Company;
- approving and monitoring financial and other reporting;
- ensuring that the performance of management, and the Board itself, is regularly assessed and monitored; and
- appointing and evaluating the performance of the Managing Director (MD).

2.4 Specific responsibilities of the Board

In appointing the Board, shareholders vest the management and control of the business and affairs of the Company in the Board. The Board has reserved some matters to itself for decision and, save for those matters, has delegated authority for all other matters to the MD.

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

- the appointment and removal of the MD, the determination of the MD's terms and conditions (including remuneration) and review of the MD's performance;
- appointment, review of performance and removal of the Company Secretary and senior executives reporting to the MD;
- any matters in excess of any discretions that the Board may have delegated to the MD or senior executives;

- approval of:
 - the Company's strategy and annual budget;
 - the remuneration and conditions of service including financial incentives for executive Directors, senior executives, the Chief Financial Officer and the Company Secretary;
 - significant changes to the organisational structure of the Company;
 - the appointment, and performance evaluation of senior executives and any other officers as the Board may determine;
 - the acquisition, establishment, disposal or cessation of any significant assets of the Company;
 - the quantum, nature and term of the Company's debt facilities;
 - the issue of any shares, options, equity instruments or other equity securities in the Company;
 - any public statements which reflect significant issues of the Company performance, policy or strategy;
 - any changes to the discretions delegated by the Board; and
 - the Company's dividend policy and the payment of dividends;
- reviewing MD and senior executive succession planning on a regular and continuing basis.

Subject to the limitations imposed by the Company's constitutional documents, statute and other external regulation, the Board remains free to alter the matters reserved for its decision.

3. **CONDUCT OF DIRECTORS**

In discharging his or her duties, each Director must:

- exercise care and diligence;
- exercise their power and discharge their duties in good faith in the best interests of the Company;
- not improperly use his or her position or misuse information of the Company;
and
- commit the time necessary to discharge effectively his or her role as a Director.

Each Director will ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of the Company.

Directors commit to the collective, group decision-making processes of the Board. Individual Directors will always respect the contributions of other Directors, and strive to understand the perspective and contributions of other Directors. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their own judgement differs from that of other Directors.

All Directors are expected to utilise their range of relevant skills, knowledge and experience for all matters discussed at Board meetings. Executive Directors will ensure

that they bring to all Board debate and discussion their unique knowledge, experience, and perspective on the Company's businesses.

Directors will use all reasonable endeavours to attend Board meetings in person, but will be permitted to attend by phone. Members unable to attend a meeting must advise the Chairman and Company Secretary as soon as practicable and provide a suitable explanation for their non-attendance.

4. **BOARD MEETINGS**

The Board must meet regularly at the times determined by the Chairman. There will be at least 4 scheduled board meetings per year.

Directors are expected to attend at least half of the Board meetings in person every year.

A Director may request that a meeting of the Board at any time.

The Company Secretary must distribute the agenda and any Board papers to the Directors prior to each Board meeting to enable them to read the papers and properly prepare for the Board meeting.

Any Director may request that an item be added to the agenda for a Board meeting.

Non-executive Directors must form the majority of the Directors present and eligible to vote at each Board meeting.

The Company Secretary must prepare draft minutes of each Board meeting and promptly provide them to the Chairman for review after each Board meeting.

Once the draft minutes have been reviewed by the Chairman, the draft minutes must be tabled at the next Board meeting for final review and approval.

Non-executive Directors will periodically meet alone without executive Directors or executive management present.

5. **INDEPENDENT ADVICE**

Directors may, with the consent of the Chairman and with the assistance of the Company Secretary, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities, other than directors where there is a liability or dismissal. A copy of any advice so received will be made available to all Directors.

6. **BOARD EVALUATION**

The Board will evaluate the performance of the Board as a whole, the committees of the Board, the Chairman, individual Directors, and the governance processes which support the work of the Board.

All evaluations will have regard to the collective nature of Board work and the operation of the governance processes established in this document. Evaluations will be conducted periodically as the Board considers appropriate.

The Board will conduct evaluations of the performance of Directors retiring and seeking re-election to the Board. The Board will use the results of these evaluations in considering the endorsement of Directors for re-election by shareholders.

7. **BOARD COMMITTEES**

Where appropriate given the position of the Company, the Board will establish committees to assist the Board in the exercise of its authority.

The permanent committees of the Board are the Audit and Risk Committee, the Remuneration and Nomination Committee and the Safety, Health and Environmental Committee (collectively, the **Committees**). Should a committee not be established, the entire Board will fulfil that role.

Each Committee will be composed of individuals the Board considers best suited to fulfil the role of each Committee. All of the Committees will:

- have at least three members;
- consist of a majority of independent Directors; and

The Audit and Risk Committee will comprise only non-executive Directors.

The Committees will have access to sufficient resources to carry out their activities effectively.

The Board may establish more detailed documents to set the constitutional base for each Committee, to record their activities and to provide guidance to the Board.

Audit and Risk Committee

The role of the Audit and Risk Committee includes assisting the Board with:

- Enterprise-wide risk management.
- Overseeing the adequacy of the controls established by senior management to identify and manage areas of potential risk and to safeguard the assets of the Company.
- Assessing the reliability and integrity of information for inclusion in the Company financial statements.
- The appointment, reward, and performance of the external auditor and the integrity of the audit process as a whole.
- Ensuring compliance with legal and regulatory requirements and the Company's own codes of conduct.
- Assessing the MD's compliance with the limits on their authority.

Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee includes assisting the Board with:

- Reviewing, assessing and making recommendations on the desirable competencies of Board members.
- Assessing Board performance.

- Assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills and experience are represented on the Board.
- Developing succession plans for the Board and overseeing the development of succession planning in relation to management.
- Oversight of the selection and appointment practices and remuneration policies for non-executive Directors and management.
- Determining appropriate remuneration policies.
- Membership of Board committees.

Safety, Health and Environmental Committee

The role of the Safety, Health and Environmental Committee includes assisting the Board with:

- Reviewing and making recommendations, as appropriate, in regard to the Company's safety, health and environmental (**SHE**) policies, plans, procedures, compliance systems and monitoring processes;
- Helping to monitor the Company's compliance with applicable SHE laws, regulations and voluntary commitments;
- Reviewing the SHE sections of the annual report prepared by the Company;
- Examine trends in legislation, proposed regulations and emerging issues in the SHE field and assisting the Company in the evaluation of the potential impact of such trends, proposed regulations and issues on the Company;
- Reviewing and evaluating accident / incident reports and, where appropriate, reporting to the Board;
- A SHE member will be appointed to oversee major incidents;
- Reviewing and commenting on the Company's goals and objectives in SHE performance;
- Evaluating management's SHE performance in the light of the Company's goals and objectives;
- Assisting in the review and evaluation of estimates of SHE operating, reclamation and closure costs in preparing investment proposals, annual plans and accounts;
- Monitoring and helping to evaluate the Company's emergency preparedness;
- Reviewing audit results and updates from Company management with respect to SHE performance; and
- Review management's assessment of business risk, risk mitigation measures and exposure in respect of its current and future activities.

8. DIVISION OF AUTHORITY AND DUTIES

8.1 Division of authority

The Company recognises the important but separate roles and functions of the office of Chairman of the Board and the office of MD of the Company. Accordingly, the roles of the Chairman and the MD are strictly separated and must not be exercised by the same individual.

8.2 Office of Chairman

The Board will elect one of its members to the office of Chairman.

The Chairman will be an independent Director who has not previously held the position of MD.

The Board will develop a succession plan for the office of Chairman and will periodically review and update the plan.

The Board will identify an independent non-executive Director to act as an alternate Chairman if the Chairman is unable to perform their role for any reason. The Board will periodically keep the shareholders informed through appropriate disclosure of its choice in this regard.

The role of the Chairman is to:

- ensure the efficient organisation and conduct of the Board's functions;
- facilitate the effective contribution of all Directors;
- promote constructive and respectful relations between Board members and between the Board and management;
- be responsible for ensuring that the principles and processes of the Board are maintained;
- review the agenda for each meeting prepared by the Company Secretary or the MD (any Director may request that an item be added to the agenda);
- report to the Board and committees of the Board as appropriate on decisions and actions taken between meetings of the Board; and
- chair general meetings of the Company.

The Chairman has authority to act and speak for the Board between its meetings, including engaging with the MD.

8.3 Managing Director (MD)

The MD is free to take all decisions and actions which further the Corporate Objective, and which in his or her judgement are reasonable having regard to the limits on his or her authority.

The MD is accountable to the Board for the authority that is delegated to the MD, and the performance of the Company. The Board will monitor the decisions and actions of the MD and the performance of the Company to gain assurance that progress is being made towards the Corporate Objective.

The MD will report systematically in an open and honest manner on the progress being made by the Company's businesses towards the Corporate Objective and towards shorter and medium-term plans.

The MD will determine the format and system of reporting, which will address material developments in the following areas, and will describe for each of them the potential impact on the achievement of the Corporate Objective:

- the development and implementation of strategy, and the annual plan; and
- the business and financial performance of the Company, and material events in markets which are critical to the achievement of the Corporate Objective.

The MD will inform the Board in writing of decisions and actions that the MD reasonably interprets to exceed the limits on their authority but are necessary and appropriate for the achievement of the Corporate Objective and the medium and short-term plans of the Company.

The Board will also monitor performance through Board committees where it is more effective to do so, or necessary to avoid potential conflicts of interest. The Board and Board committees may make direct requests for information from the MD, any employee of the Company, the external auditor or any third party.

The MD (and his or her nominee) will supply the Board and the Board committees with the information in a form that is appropriate to enable the Board and the Board committees to make assessments and judgements, to conduct inquiries, and to gain assurance that the decisions and actions of the MD, and the performance of the Company are directed toward the Corporate Objective and fall within the limits on the MD's authority.

Remuneration

The Board will ensure that the structure of remuneration for the Company (including for the MD) is linked to the achievement of the Corporate Objective.

The Board will ensure that performance requirements of the MD are linked to the achievement of the Corporate Objective, and that systems of evaluation for the performance of the MD and the Company are based on previously stated criteria that are transparent.

The Chairman of the Board, drawing on guidance of the Remuneration and Nomination Committee, will lead on behalf of all the non-executive Directors an annual formal evaluation of the performance of the MD.

Limits on the authority of the MD

The achievement of the Corporate Objective will guide all MD decisions and actions.

The MD will not engage in, cause or permit any activity or behaviour that is in violation of commonly accepted standards of business practice and ethics.

The MD will not allow the culture of the Company to develop or continue in a way that supports or condones dishonest conduct, or lack of integrity, respect or dignity in relationships amongst those involved in or affected by the Company's activities.

The MD will not allow the Company's resources to be allocated without assessing the impact of the change on the achievement of the Corporate Objective.

The MD will not allow capital and operating expenditure, or financing decisions, to be made without assessing the impact on the financial condition of the Company and on the achievement of the Corporate Objective.

The MD will not allow decisions or actions to be taken without assessing:

- their health, safety and environmental consequences and the impact on the achievement of the Corporate Objective; and
- the effect on the reputation of the Company and the impact on the achievement of the Corporate Objective.

The MD will not permit the Company to operate unless there is in place a system of control for identifying and managing the risks that are material to the achievement of the Corporate Objective and strategy and plans:

The MD will ensure that a system of internal financial control and internal audit is maintained for the protection of the Company's assets and the application of the Company's resources.

The MD will ensure that a system is maintained for evaluating changes in the level of satisfaction of the Company 's customers.

8.4 **Company Secretary**

The Company Secretary is accountable to the Board and his or her appointment and removal is a matter for the Board as a whole.

The Company Secretary will advise the Chairman, and through the Chairman, the Board and individual Directors on all matters of governance process.

The Company Secretary's advice and services shall be available to all Directors and committees of the Board.

The Company Secretary will retain independent advisory services at the request of the Board or committees of the Board.

The Company Secretary will develop and maintain the information systems and processes that are appropriate for the Board to fulfil its role and to achieve the Corporate Objective.