



## **BOARD CHARTER**

### **Role of the Board**

The primary function of the Board of Directors (the “Board”) of Mantra Resources Limited (the “Company”) is to manage, or supervise the management of, the business and affairs of the Company. In doing so, the Board shall act with a view to the best interests of the Company.

The Board has responsibility for, and has the authority to determine, all matters relating to policies, practices, management and operations of the Company. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Company.

The principle objective of the Company is to acquire, explore, develop and operate (or otherwise exploit) profitable resource projects to create and deliver sustainable value for shareholders.

The Board has the final responsibility for the approval and successful implementation of the strategies, and the ongoing operations and performance, of the Company.

Without limiting the generality of that stated role, the matters reserved specifically for the Board include:

- (a) determining the vision and objectives of the Company;
- (b) formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- (c) identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them, and to monitor the compliance and effectiveness of these policies;
- (d) identifying other material business risks pertaining to the Company’s operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;
- (e) appointing and approving the terms and conditions of the appointment of the CEO and Chief Financial Officer, and other executives and officers;
- (f) determining the remuneration of the Company’s CEO, Chief Financial Officer and other executives and officers of the Company, including share and benefit plans;
- (g) establishing and determining the powers and functions of the committees of the Board (“Committees”), including the Audit Committee;
- (h) reviewing and providing feedback on the performance of the CEO and reviewing the performance of all other officers reporting directly to the CEO;
- (i) reviewing the performance of the Board, individual directors and Committees;

- (j) endorsing the terms and conditions of employment of senior executives;
- (k) approving and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- (l) identifying all areas where written Board policies are required, determining the policies, and overseeing the implementation and monitoring of compliance, including policies in relation to codes of conduct, related party transactions, and trading in the Company's securities;
- (m) approving the annual budget of the Company and variations thereto;
- (n) approving major operating and capital budgets of the Company, and material variations to these budgets;
- (o) authorising expenditure approval limits for the CEO and authorising expenditure in excess of these discretionary limits;
- (p) approving all mergers, acquisitions and disposals of projects and businesses;
- (q) considering the reports from Committees and the recommendations made;
- (r) reviewing annually the progress and performance of the Company towards meeting its objectives;
- (s) reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;
- (t) authorising the issue of securities and instruments of the Company;
- (u) approving processes, procedures and internal control systems to ensure that the Company's financial results are reported on a timely and accurate basis;
- (v) approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;
- (w) determining, implementing and monitoring procedures to ensure that the Australian Securities Exchange and the Toronto Stock Exchange are promptly and adequately informed of all matters considered to be material, in accordance with the continuous disclosure obligations;
- (x) overseeing the Company's approach to corporate governance issues;
- (y) monitoring developments in the Company's industry and general operating environment; and
- (z) encouraging effective communication between the Company and its shareholders, employees and the general public.

### **Powers of the Board of Directors**

In order to ensure the efficient management of the Company, the Board recognises the need to delegate certain of its powers to executive management. These powers may be delegated to a Committee of the Board, an individual director, or to an officer or employee of the Company.

In delegating this power, the Board must be satisfied that the delegate will exercise it reliably and competently, and in accordance with the requirements of the Board. The Board must be satisfied on reasonable grounds at all times that the delegate would exercise the power in conformity with the duties imposed on directors of the Company by the *Corporations Act 2001 (Cth)* and the Company's Constitution. The Board must also be satisfied, on reasonable grounds and in good faith and after making proper inquiry if the circumstances indicated the need for inquiry that the delegate was reliable and competent in relation to the power delegated.

The Board accepts responsibility for the manner in which the delegated powers are exercised, and must monitor the efficiency and effectiveness of the exercise of these powers by the delegate.

### **Delegation of Authority to CEO and Senior Management**

The Board delegates responsibility for the day-to-day management of the Company and its operations to its CEO and senior management. This delegation of authority includes responsibility for:

- (a) formulating the vision, strategies, business plans and budgets for the Company, and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's businesses within the parameters and having regard to the policies set by the Board from time to time, and keeping the Board informed of material developments in relation to those businesses;
- (c) where proposed transactions, commitments or undertakings exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying material business risks, formulating strategies in conjunction with the Board or the Audit Committee to manage the risks, and monitoring effectiveness of the management process and reporting to the Board and Audit Committee;
- (e) developing and managing financial reporting and internal control and monitoring systems to ensure that they are efficient and effective, and provide adequate and timely financial information pertaining to the performance, condition, and prospects of the Company;
- (f) implementing and monitoring compliance with the policies, processes and codes of conduct approved by the Board;
- (g) negotiating the terms and conditions of appointment of senior executives for Board approval, appointing the senior management team, and endorsing the terms and conditions of appointment of all other staff members;
- (h) implementing and monitoring compliance with policies, processes and procedures for the management and development of the Company's human resources, including the corporate culture and ethics;
- (i) providing strong leadership to, and effective management of, the Company;
- (j) ensuring that all matters requiring review or approval by the Board are raised with sufficient supporting information and advance notice to allow proper consideration by the Board; and
- (k) reporting to the Board on a monthly basis, or other agreed time frame considered to be appropriate by the Board, the performance of all parts of the business against budget.

## **Chairman's Responsibilities**

The Chairman's responsibilities include:

- (a) chairing the meetings of the Board in an impartial manner, ensuring that meetings are properly constituted, a quorum is present, minutes of previous meetings are considered as required, all directors have a fair opportunity to participate, and the meeting is declared closed;
- (b) developing a regular schedule of Board meetings, setting the agenda for the meetings in consultation with the CEO, and ensuring that there is adequate time and balance allowed between strategic, operational and compliance issues;
- (c) ensuring that issues relating to conflicts of interest between the Company and its directors and employees are properly dealt with in accordance with the Constitution of the Company and applicable law;
- (d) understanding of Board and general meeting rules and procedures;
- (e) chairing the Annual General Meeting (AGM), and any Extraordinary General Meetings, and ensuring that shareholders have adequate opportunity to ask questions and provide their comments in relation to the management of the Company;
- (f) ensuring that the external audit partner is present at the AGM and available to answer any questions raised by shareholders;
- (g) providing leadership and ensuring the effective performance of the Board;
- (h) maintaining ongoing relations with management that are conducive to productive co-operation, and ensuring the provision by management to directors of accurate, timely and clear information;
- (i) arranging regular evaluations of the performance of the Board and its Committees and of individual directors;
- (j) ensuring directors continually update their skills and experience and knowledge of the Company necessary to fulfil their role on the Board and Committees; and
- (k) establishing a protocol to be applied if the Chairman is absent from meetings of the Board.

## **Board Structure**

### **Criteria for Appointment**

Directors are appointed under the terms of the Company's Constitution. Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board. The categories considered necessary for this purpose is a blend of accounting and finance, business, technical and administration skills.

### **Formality of Appointment**

Directors should be appointed pursuant to formal agreements. The expectations for time to be committed and involvement in Committees and other activities of the Company should be set out in writing.

**Role of Non-Executive Directors:**

Non-executive directors collectively shall meet as frequently as required, but not less than 2 times per year.

Non-executive directors collectively should:

- (a) challenge executive management and contribute to the development of strategy;
- (b) scrutinise the performance of executive management against agreed objectives and strategies;
- (c) monitor the quality, quantity and efficiency of internal and external reporting of Company performance;
- (d) review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision making; and
- (e) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

Non-executive directors individually should:

- (a) take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as directors of the Company;
- (b) monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a director of the Company, and provide quality assistance to enable the Company to achieve its objectives; and
- (c) undertake ongoing education to maintain appropriate skill levels, and attend site visits to the Company to assist with the need to remain familiar with the Company's business activities.

**Annual Review of Non-Executive Directors**

Board composition should be reviewed annually by the Board to ensure that the non-executive directors between them bring the range of skills, knowledge and experience necessary to direct the Company in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

**Expectations of Directors**

Prospective candidates for election as directors of the Company are to be acquainted with the role of the Board and its Committees and the contribution that directors are expected to make, including, in particular, the time commitment that the Company expects of directors. Directors are expected to prepare in advance of each meeting in order to fulfill their responsibilities as directors.

### **Conflicts of Interest and Potential Conflicts of Interest**

A director must inform the Board or the Chairman as soon as the director becomes aware of any conflict or potential conflict of interest the director may have in relation to any transaction or matter relevant to the Company or its business. Unless the Board decides or the law requires otherwise, the director should be absent from any discussion and decision on that transaction or matter.

### **Compliance with Legislation and Board Policy**

Directors must comply with the relevant legislation impacting on their activities as directors, and with all policies established by the Board.

### **Committees**

The Board may establish, as required, standing and temporary Committees to which it may delegate some of its powers. Each Committee shall adopt a charter in order to define the role, responsibility, powers, structure, composition, operation and administration of the Committee and the Board.

The Board has the adopted an Audit Committee. The Audit Committee, and any other Committee the Board should adopt, should report to the Board, as it considers appropriate having regard to matters and issues of significance that may arise, but in any case at least twice annually.

The minutes of the Audit Committee meetings, and the meeting minutes of any other Committee the Board should adopt, should be included in the Board pack of directors for each Board meeting, except where the Chairman considers it inappropriate due to potential conflicts.

### **Board Performance**

The Board has a process for reviewing its performance and that of its individual directors, Committees and senior management. The Board meets annually to review the outcome of this process.

The annual procedure for Board performance evaluation will be to:

- review its performance against the terms of the Board Charter;
- review the performance of Committees against the terms of their charters;
- review the contribution of each director; and
- review the changes that may be required to the charter of the Board or its Committees, taking into account the developments in the Company and its businesses over the preceding year, and in corporate governance practices.

The Board will determine the scope and detailed procedures involved in this performance evaluation.

### **Indemnity and Insurance**

The Company maintains a Directors' and Officers' Liability insurance policy to indemnify directors against liability (subject to certain exclusions) arising out of the discharge of their duties as directors. All such insurance cover is to be obtained at reasonable rates and on reasonable terms.

### **Independent Professional Advice**

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

**Board Review of Mandate**

The Board may review and, as and when necessary, revise this Mandate.

In accordance with applicable securities laws, the text of this mandate shall be included in the Company's management proxy circular for each annual meeting of the Company's shareholders.