

4. BOARD CHARTER

1. INTRODUCTION

Goldminex is an Australian listed exploration Company with a significant tenement portfolio within the Owen Stanley Ranges and Sepik Province in Papua New Guinea. Exploration is focused on large-scale gold, copper and nickel deposits in an environment which hosts some of the most prospective and underexplored geology in the world.

Our Mission is to add value to stakeholders through the discovery of large-scale economic mineral resources. Our exploration strategy is both a focused and cost effective approach, which has been refined from our past experience in the field. We apply a combination of conventional and technical methods to efficiently prioritise, explore and evaluate our tenements. This is complimented through the development of a detailed data set which is utilized to continually assess, refine and rank our exploration activities.

The Board's role is to ensure that policies, processes and management are in place to achieve Goldminex's objectives while at the same time ensuring that shareholders are rewarded for their investment in the Company.

The Board will review this charter annually to reflect changes in legislation and contemporary practice.

2. THE ROLE OF THE BOARD

The Board assumes responsibility for:

- Setting the strategic goals of Goldminex in conjunction with management;
- Ensuring resources are available to achieve these goals including approving annual budgets and long term financial and capital management plans;
- Reviewing the financial and other performance indicators of Goldminex and reporting on that performance;
- Oversight of Goldminex's control and accountability systems;
- Approving significant acquisitions and divestments;
- Identifying and monitoring major risks as well as reviewing and ratifying systems of risk management, internal compliance and control;
- Determining the governance policies of Goldminex and ensuring compliance with those policies including:
 - Encouraging ethical behaviour and good corporate citizenship;
 - Ensuring a healthy and safe work environment;
 - Ensuring that Goldminex complies with all relevant legislation;
 - Ensuring adherence to environmental standards;
- Establishing and reviewing the charters of all committees of the Board;

- Selecting, appointing and approving the terms and conditions for the Chief Executive Officer as well as reviewing their performance;
- Ratifying the appointment of senior executive staff and appointing the Company Secretary;
- Monitoring the appointment, performance, and terms and conditions of senior executives.

3. BOARD STRUCTURE

The Board will comprise at least four Directors, including the Chairperson. Additional Directors, including executives, may be appointed if the Board sees the requirement to broaden its capabilities.

3.1. Independence

The Board has approved and implemented guidelines for Director Independence, and has published them in line with good governance practice.

3.2. Board Committees

The Board will appoint committees to address issues of interest to the Board and has permanently established and prescribed charters for the following:

- Audit and Risk Management Committee;
- Remuneration and Nomination Committee.

4. THE ROLE OF INDIVIDUAL DIRECTORS

4.1. Duties and Expectations of Directors

In line with best practice and Goldminex's standing as a listed public Company, each Director has an obligation, at all times, to act ethically and to comply with the spirit, as well as the letter, of the law and with the principles of this charter.

4.2. Access to Information

To ensure that Directors carry out their duties effectively, they need access to information to make informed decisions and the Chairperson may invite senior management to attend Board meetings. Directors can approach senior executives directly about particular matters, however, they are expected to use this right judiciously.

Should the general level or format of information provided by management not meet a Director's needs, they are entitled to contact the Company Secretary to discuss their requirements.

4.3. Director Protection

The Company Secretary will hold at the corporate head office, a complete set of Board papers for Directors for a period of seven years following the resignation or retirement of each Director. In accordance with Corporations Act 2001, Directors are entitled to access these papers on request at all reasonable times.

Goldminex will maintain directors and officers insurance for a Director for seven years from the date at which he/she ceased to be a Director.

5. CODE OF CONDUCT

Goldminex's involvement in minerals means it will attract the attention of domestic and international regulators and other groups. In order to operate in this business the Company must initiate and be seen to operate under the highest ethical standards. Accordingly, the Board has:

- Prepared a Company Code of Conduct in line with best practice;
- Prescribed a Share Trading Policy for Directors, employees and contractors;
- Implemented a Disclosure Policy for Goldminex.

6. DELEGATION OF AUTHORITY

The Board has approved a Delegated Authorities Policy which permits nominated individuals to authorise expenditure within prescribed limits.

Under this Delegated Authorities Policy, the Board must approve the following items:

- Annual budgets and reforecast;
- Capital market transactions involving securities issued by Goldminex, including terms and conditions;
- Any significant debt transactions, including terms and conditions;
- Acquisition or disposal of a business or shares in a company, as well as any significant acquisition or disposal of property;
- Proposed changes in strategic direction;
- Major changes of policy covering operations, financial management, marketing or human resources;
- Matters required to be addressed in accordance with the charters of Board Committees;
- Policies addressing corporate governance principles and corporate citizenship;
- Goldminex's statutory accounts, Directors' Reports and Statements;
- Declarations of dividends;
- Any other matters reserved by the Board from time to time.

7. MONITORING

7.1. Reporting and Disclosure

The Board will receive regular financial reports in a form that allows it to monitor the performance of Goldminex and will approve all financial and other reporting to shareholders, stakeholders and regulatory authorities.

The Board will have processes in place to ensure adherence and implementation of Goldminex's Disclosure Policy and compliance with continuous disclosure requirements.

The Chief Executive Officer will implement all necessary compliance systems and will advise the Board regarding the Company's compliance with legal obligations and issues of concern.

The Chief Executive Officer and Company Secretary will implement all necessary risk management systems and will regularly submit a risk report to the Board, notifying Directors of any issue of concern as well as strategies to mitigate those risks.

The Audit and Risk Management Committee is delegated to undertake on-going detailed assessment of risk management processes, legal compliance and internal compliance and control and report its assessments to the Board.

7.2. Notification of Non-Routine Items

The following must be reported to the Board or committee for advice/noting:

- Any regulatory investigation of Goldminex;
- Any potential legal action against Goldminex;
- All insurance matters;
- Any non-routine financial claim against Goldminex.

8. THE ROLE OF THE CHAIRPERSON

The Board appoints the Chairperson. The Chairperson shall not be entitled to vote or participate in the deliberations on any matter in which he/she has a personal interest. In the event of an equality of votes the Chairperson has the casting vote.

The Chairperson will:

- Be responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's function and for briefing of all Directors in relation to issues arising at Board meetings;
- Establish the agenda for Board meetings in consultation with the Chief Executive Officer and the Company Secretary;
- Chair meetings of the Board. If the Chairperson is not present within 15 minutes after the time appointed for the holding of that meeting, the Directors present shall choose one of their number to act as Chairperson for the duration of that meeting;
- Be a spokesman for the Company as required and conduct the Annual General Meeting;
- Be the major point of contact between the Board and the Chief Executive Officer;
- Be kept fully informed on all matters which may be of interest to Directors by the Chief Executive Officer;
- Review all significant announcements before they are released to the ASX;
- Regularly review with the Chief Executive Officer and other senior officers, the progress on important initiatives and significant issues facing Goldminex;
- Provide mentoring for the Chief Executive Officer;
- Chair the Chief Executive Office evaluation process.

9. THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is charged with facilitating Goldminex's corporate governance process. The full Board is responsible for ratifying the appointment and removal of the Company Secretary, as well as the terms and conditions of employment.

The Company Secretary will:

- Assist in developing the effectiveness of the Board by ensuring Board policy and procedures are well understood by the Board and to monitor the implementation of these policies and procedures;
- Be available to Directors for enquiries;
- Ensure the agenda and Board papers are forwarded to Directors at least seven days before each Board meeting;
- Record, maintain and distribute the minutes of all Board and Committee meetings and any meetings of Goldminex;
- Maintain a complete list of authorities delegated by the Board;
- Ensure all requirements of the Australian Securities and Investments Commission are fully met;
- Ensure all requirements of the Australian Stock Exchange are fully met;
- Ensure all requirements of the Australian Tax Office are fully met.

10. ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for the management of Goldminex in accordance with the strategy and policies approved by the Board to achieve the agreed goals.

The Chief Executive Officer's responsibilities include:

- Developing, with the Board, a consensus for Goldminex's vision and direction;
- Constructing, with the management team, programs to implement this vision;
- Approving the terms and conditions of appointment of senior executives;
- Endorsing the terms and conditions of appointment of all other staff;
- Providing strong leadership and effective management, in order to:
 - Ensure safe and healthy workplaces for employees;
 - Encourage co-operation and teamwork;
 - Build and maintain staff moral at a high level;
 - Build and maintain a strong sense of staff identity and alliance to, Goldminex;
- Carrying out the day-to-day management of Goldminex within the authority delegated by the Board;
- Keeping the Board informed, at an appropriate level, of all the activities of Goldminex.

Subject to the Delegated Authorities Policy, the Board delegates the Chief Executive Officer to:

- Authorise expenditures, within delegated authority limits, as approved in the annual budget;
- Approve the appointment of all budgeted positions.

All payments to the Chief Executive Officer, outside of normal agreed monthly remuneration, must be authorised by the Chairperson.

10.1. Chief Executive Officer Evaluation

Evaluation of the Chief Executive Officer is undertaken by the full Board, with the Chairman responsible for coordinating the process in conjunction with the Remuneration and Nomination Committee. Quantitative and qualitative goals for the forthcoming year will be discussed and agreed by the Board in the first meeting after July 1.