

Process for performance evaluations

1 Board, Board committees and individual directors

The Chair has the overall responsibility for evaluating the Board and, when deemed appropriate, Board committees and individual directors. The process employed by the Company for evaluating the performance of the Board, individual directors and any applicable committees is:

- (a) A questionnaire is prepared by the Company Secretary and circulated to each director for completion. The questionnaire includes questions addressing :
 - (i) the effectiveness of the Board and each committee in meeting the requirements of its charter;
 - (ii) whether the Board and each committee has members with the appropriate mix of skills, diversity and experience to properly perform their functions;
 - (iii) the contribution made by each director at meetings and in carrying out their responsibilities as directors generally, including preparing for meetings;
 - (iv) whether adequate time is being allocated to Company matters, taking into account each director's other commitments;
 - (v) the independence of each non-executive director, taking into account the director's other interests, relationships and directorships;
 - (vi) whether the content and timeliness of agendas, papers and presentations provided to the Board and each committee are adequate for them properly to perform their functions; and
 - (vii) a director's executive role, if the director is an executive director.
- (b) The Company Secretary then summarises and collates the responses to the questionnaires and reports back to the Chair; and
- (c) The Chair discusses the responses to the questionnaire with the Board on a round-table basis, addresses any issues as required and meets with directors individually if required.

The Chair is responsible for evaluation of the Board, Board committees (where applicable) and individual directors.

The procedure for performance evaluation is comprised of a three year cycle. During the first year, each Director completes a questionnaire which is reviewed by the Chair, followed by interviews with each individual Director. The questionnaire is designed to evaluate the Board and its committees. The following year the questionnaire is refined with reference to the previous year's outcomes and is used to track progress. During the third year, a more comprehensive approach is implemented to address issues arising from previous questionnaires as well as newly identified areas of focus, and may involve contribution from external consultants. Individual director performance will also be evaluated during the third year. The actual procedure used each year is disclosed in the Company's annual corporate governance statement.

Measures against which the performance of the Board, its committees and individual directors are measured include:

- effectiveness of the Board and individual directors in fulfilling its/their roles and responsibilities;
- the structure and performance of the Board as a whole and of its various committees;

- awareness of directors of their fiduciary and ethical responsibilities and duties as directors of the Company and of relevant corporate governance and compliance requirements;
 - awareness of the Company's objectives and strategy;
 - understanding by the directors of the significant business risks facing the Company and management of those risks; and
 - avenues for continuing improvement of Board functions and Board performance.]
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2 Chair

The Chair's performance will be evaluated by the other members of the Board via the same process used for evaluating the performance of the Board, its committees and individual directors. The Board will address any issues that may arise with the Chair, if required.

3 Chief Executive Officer

The Chief Executive Officer's performance is reviewed by the Board. The evaluation is conducted at the same time as the Chief Executive Officer's annual remuneration review, and involves an interview with the senior independent director to discuss performance against the Chief Executive Officer's responsibilities as outlined in his contract with the Company. The Board also evaluates the Chief Executive Officer on an ongoing basis via informal discussions about performance.

4 Senior Executives

The Company currently has one senior executive who is not also a Board Member. The Chief Executive Officer is responsible for evaluating the senior executive. The evaluation is conducted at the time of the executive's annual remuneration review, and involves an interview with the Chief Executive Officer to discuss performance. The Chief Executive Officer also evaluates the performance of the senior executive on an ongoing basis via informal discussions about performance. The Company is a small exploration company and does not have any STI or LTI indicators.
