

HERON RESOURCES LIMITED

Board Charter

1. Role of the Board

The role of the Board is to increase Shareholder value within an appropriate framework while protecting the rights and interests of the Company's Shareholders and to ensure the Company's affairs are properly managed.

2. Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- (a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (b) to (m) inclusively;
- (b) ensuring the Company is properly managed for example by:
 - (i) appointing and removing the Managing Director of the Company;
 - (ii) ratifying the appointment and, where appropriate, the removal of the Company Secretary;
 - (iii) input into and final approval of management's development of corporate strategy and performance objectives;
 - (iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
 - (v) monitoring executives performance and implementation of strategy, and ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestures;
- (d) approval of the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting, including the annual and half-year financial reports;
- (g) reviewing procedures and practices employed in relation to health, safety and the environment and to assess their adequacy;
- (h) monitoring continuous disclosure policy and procedures;
- (i) approving the text of any public statement or release which contains or relates to financial forecasts or material which is significant as regards Company policy or strategy;
- (j) convening and attend general meetings of the Company's Shareholders;
- (k) assessing and approve the Company's response to proposed transactions which would affect Shareholder's positions and rights as Shareholders, and where relevant to make recommendations thereon to Shareholders;
- (l) implementing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company; and
- (m) liaising with the Company's external auditors and the audit and finance committee.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities, not less than bi-monthly.

The Company generally convenes a monthly meeting (fourth Friday of the month), at which the Monthly Report for the preceding month is reviewed.

3. The Chairperson

The Chairperson is responsible for 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.

4. Independent Directors

The Independent Directors, along with all Directors, are responsible for reviewing and challenging executive performance. The Independent Directors are also responsible for contributing to the development of strategy.

5. The Managing Director

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out their responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational result.

The Company generally convenes a monthly meeting, at which the Managing Director's Monthly Report for the preceding month is reviewed.

6. Role and Responsibility of Management

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting material matters in the first instance to the Managing Director or if the matter concerns the Managing Director then directly to the Chairman.