



BOARD OF DIRECTORS CHARTER

The term “Company” herein shall refer to Heron Resources Ltd and the term “Board” shall refer to the Board of Directors of the Company.

PURPOSE

The Board assumes responsibility for the oversight and stewardship of the Company.

Although Directors may be nominated by certain persons to bring special expertise or a point of view to Board deliberations, the best interests of the Company must be paramount at all times.

RESPONSIBILITIES

As an integral part of that stewardship responsibility, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- a) The Board has primary responsibility for setting the overall business strategy and long-term direction of the Company. The Board hires the CEO and delegates the management of the Company to him/her. Management's primary job is to develop and implement an appropriate business strategy and plan, that will help the Company achieve its vision. The plan will take into account the business opportunities and business risks of the Company. The Board reviews, questions, discusses and ultimately approves management's strategy and plan, at least annually. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Company. The Board reviews and approves the Company's financial objectives, plans and actions, including the annual budget and significant capital allocations and expenditures.
- b) The Board monitors and reviews corporate performance against the strategic and business plans and budgets, including assessing operating results to evaluate whether the business is being properly managed.
- c) The Board identifies the principal business risks of the Company and ensures that there are appropriate systems put in place to manage these risks.
- d) The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Company and its financial reporting procedures.
- e) The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a Corporate Code of Ethics for all employees and senior management, and monitoring compliance with such code.
- f) The Board is responsible for monitoring of financial performance and other financial reporting matters as follows:
 - i) the Board has oversight responsibility for reviewing and questioning the strategies and plans of the Company;
 - ii) the Board has oversight responsibility for reviewing systems for managing the principal risks of the Company's business including insurance coverage, conduct of material litigation and the effectiveness of internal controls;



Heron Resources Limited

- iii) the Board is responsible for considering appropriate measures if the performance of the Company falls short of its goals or if other special circumstances warrant;
- iv) the Board shall be responsible for approving the interim and audited Financial Statements and the notes thereto and the Company's Management Discussion and Analysis with respect to such financial statements which shall include the following:
 - overseeing the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;
 - overseeing that the financial results are reported fairly and in accordance with international financial reporting standards; and
 - ensuring the integrity of the internal control and management information systems of the Company.
- v) the Board has responsibility for effectively monitoring the principal risks of the Company;
- g) The Board is responsible for establishing and reviewing from time to time a dividend policy for the Company.
- h) The Board reviews and approves material transactions not in the ordinary course of business.
- i) The Board reviews and approves the budget on an annual basis, including the spending limits and authorisations, as recommended by the Audit and Risk Committee.
- j) The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
- k) The Board approves a Disclosure Policy that includes a framework for investor relations and a public disclosure policy.
- l) The Board is responsible for satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for meeting.
- m) The Board is responsible for developing the Company's approach to corporate governance principles and guidelines that are specifically applicable to the Company.
- n) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Company's governing documents.
- o) Set forth below are procedures relating to the Board's operations:
 - (i) approving and monitoring compliance with all significant policies and procedures within which the Company operates;
 - (ii) approving and having written policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
 - (iii) implementing the appropriate structures and procedures to ensure that the board functions independently of management;



Heron Resources Limited

- (iv) enforcing obligations of the Directors respecting confidential treatment of the Company's proprietary information and Board deliberations; and

Director orientation and continuing education – The Board, together with the Remuneration and Nomination Committee is responsible for providing a comprehensive orientation and education program for new Directors which fully sets out:

- i) the role of the Board and its committees;
- ii) the nature and operation of the business of the Company; and
- iii) the contribution which individual Directors are expected to make to the Board in terms of both time and resource commitments. In addition, the Board together with the Remuneration and Nomination Committee is also responsible for providing continuing education opportunities to existing Directors so that individual Directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Company remains current.

Meetings – The Board aims for monthly or bi-monthly scheduled meetings. The Board is responsible for its agenda. Prior to each Board meeting, the Chair of the Board or nominee shall circulate an agenda to the Board. The Chair of the Board shall discuss the agenda items for the meeting with the Chief Executive Officer and, if a Lead Director has been appointed, the Lead Director. Materials for each meeting will be distributed electronically to Directors in advance of the meetings. Directors are expected to attend all meetings of the Board held in a given year, and are expected to adequately review meeting materials in advance of all such meetings.

The non-executive Directors shall meet at the end of each Board meeting without management and executive Directors present.

Committees – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit and Risk Committee, and the Remuneration and Nomination Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.

Remuneration – The Board reviews and approves the recommendations of the Remuneration Committee. The Remuneration and Nomination Committee recommends to the Board the compensation and benefits for the CEO, Executive Director and non-management Directors. The Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a Director of the Company and align the interests of the Directors with the best interests of the Company.

Nomination – The Board reviews and approves the recommendations of the Remuneration and Nomination Committee. The Committee will identify and recommend new nominees as Directors of the Company, based upon ASX/TSX guidelines and the following considerations:

- i) the diversity, competencies and skills necessary for the Board as a whole to possess;
- ii) the competencies and skills necessary for each individual Director to possess;
- iii) competencies and skills which each new nominee to the Board is expected to bring; and



Heron Resources Limited

- iv) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Company.
- v) Succession planning of the Board and the Executive Management team.

Access to independent advisors – In addition, Directors have the right to seek independent professional advice to assist them in discharging their responsibilities as Directors. Costs incurred in obtaining the advice will be borne by the Company, subject to the expenditure being approved in advance by the Chair, or if the Chair is unable or unwilling to approve the expenditure, approval from the Board.

LEAD DIRECTOR

- a) The Board will appoint a Lead Director in circumstances in which the Chair of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- b) The Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from the office by the Board.
- c) The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Company's management. .
- d) The Lead Director will:
 - i) provide leadership to ensure that the Board functions independently of management of the Company;
 - ii) chair meetings of independent Directors or non-executive Directors held following Board meetings;
 - iii) in the absence of the Chair, act as chair of meetings of the Board;
 - iv) recommend, where necessary, the holding of special meetings of the Board;
 - v) review with the Chair and the CEO items of importance for consideration by Board;
 - vi) consult and meet with any or all of the Company's independent Directors, at the discretion of either party and with or without the attendance of the Chair, and represent such Directors in discussions with management of the Company concerning corporate governance issues and other matters;
 - vii) together with the Chair, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Company, and together with the Chair and the CEO, formulate an agenda for each Board meeting;
 - viii) together with the Chair ensure that the Board, committees of the Board, individual Directors and senior management of the Company understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
 - ix) mentor and counsel new members of the Board to assist them in becoming active and effective Directors;



- x) facilitate the process of conducting Director evaluations;
- xi) promote best practices and high standards of corporate governance; and
- xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

2.1 ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS

The accountabilities set out below are meant to serve as a framework to guide individual Directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities. Principal accountabilities include:

- assuming a stewardship role, overseeing the management of the business and affairs of the Company;
- maintaining a clear understanding of the Company, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;
- preparing for each Board and Committee meeting by reviewing materials that have been provided in a timely manner and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments; and exercise oversight;
- absent a compelling reason, attending every Board and Committee meeting, and actively participating in deliberations and decisions. When attendance is not possible a Director should become familiar with the matters to be covered at the meeting. If the Director is unable to attend the Board Meeting, they should endeavour to discuss the Agenda of the Meeting with the Chair prior to the Board Meeting so that the Chair can convey to the remainder of the Board any issues or concerns the absent Board Member may have;
- voting on all decisions of the Board or its Committees, except when a conflict of interest may exist;
- preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such conflicting interests should they arise;
- acting in the highest ethical manner and with integrity in all professional dealings.

CHARTER REVIEW

The Board will annually review and reassess the adequacy of this Charter for the Board.

ADOPTION

This Charter for the Board was adopted by the Board on 28 August 2015.



2.2 **CODE OF BUSINESS CONDUCT & ETHICS**

INTRODUCTION

The Code of Business Conduct and Ethics (the “Code”) has been adopted by the Board of Directors of the Company. This Code embodies the commitment of the Company and any subsidiaries (collectively referred to as “Heron Resources”) to conduct our business in accordance with all applicable laws, rules and regulations and high ethical standards. The actions of all the Company’s employees, officers and Directors shall reflect honesty, integrity and impartiality that is beyond doubt and that all business should be done in a manner that:

- complies with applicable laws, rules and regulations;
- avoids conflicts of interest;
- protects confidential information, in accordance with the Company’s confidentiality policy;
- adheres to good disclosure practices, in accordance with applicable legal and regulatory requirements.

The Company encourages all employees, officers and Directors to submit good faith complaints or concerns regarding Accounting Concerns as defined in the Whistle Blower Policy presented in this manual of the Company without fear of reprisal.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination. If a situation exists or arises where an employee is in doubt, the employee should seek the advice from Audit Committee Chair as established by the Company.

1. Compliance with Laws, Rules and Regulations

The Company is committed to compliance with all applicable laws, rules, and regulations in each jurisdiction in which it does business. All employees, officers and Directors must respect and obey the laws, rules and regulations of the cities, states and countries in which we operate. Employees, officers and Directors should educate themselves on the laws, rules and regulations that govern their work, and seek advice from supervisors, managers or other appropriate individuals at the Company.

Employees, officers and Directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company (or about any other company) should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others, including family members, who might make an investment decision on the basis of this information, is not only unethical but also illegal. The Company has adopted an Insider Trading Policy in order to prevent improper trading of securities of the Company and the improper communication of undisclosed material information. All employees, officers and Directors are expected to thoroughly understand and comply with such policy.

2. Conflicts of Interest

All employees, officers and Directors have an obligation to act in the best interests of the Company. Conflicts of interest can occur when an employee, officer or Director has a private interest in the outcome of a decision, or takes actions that make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, officer or Director (or immediate family member), receives improper personal benefits as a result of the position of such employee, officer or Director with the Company. Loans to, or guarantees of obligations of, employees, officers, Directors and their family members may create conflicts of interest and so are not condoned. All employees shall not engage in any outside work or business undertaking that interferes with the performance of their duties as employees of the Company, and are not allowed to work for a competitor or potential competitor as an employee, consultant or Board member unless specifically authorised by the Chair of the Board.



The Company respects the right of officers and Directors to take part in financial, business or other activities outside of their position with the Company; however, the Company's officers and Directors must not serve as officers or Directors, or work as employees or consultants for, a direct competitor or an actual or potential business partner of the Company, without prior written approval of the Chair of the Board.

The Company's employees and Directors may not invest in or trade in shares of a direct competitor or an actual or potential business partner of the Company, where such investment or trading may appear or tend to influence business decisions or compromise independent judgment. This prohibition does not apply to shares of a publicly traded company where such investment or trading relates to less than five percent of its issued shares. However, investing or trading in the Company's competitors or business partners remains subject to applicable laws and regulations regarding insider trading, including prohibitions against trading in possession of material non-public information regarding such companies, whether such information is gained in the course of employment with the Company or otherwise.

If a conflict of interest exists, and there is no failure of good faith on the part of the employee, officer or Director, the Company may allow a reasonable amount of time for the employee, officer or Director to correct the situation in order to prevent undue hardship or loss. However, all decisions in this regard will be in the discretion of the Chair of the Board, whose primary concern in exercising such discretion will be in the best interests of the Company.

If you are aware of a conflict or potential conflict of interest, as an employee you should bring the matter to the attention of a supervisor or manager. If you are aware of a conflict or potential conflict as an officer or Director, you should promptly bring the matter to the Board of Directors, the Chair of the Board or the Chair of the Audit and Risk Committee.

3. Confidentiality

To avoid a breach of confidentiality, all employees, officers and Directors should maintain all confidential information in strict confidence, except when disclosure is authorised by the Company or is legally mandated. Confidential information includes, among other things, any non-public information concerning the Company, including its business, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. The obligation to keep information confidential also extends beyond your employment or Directorship with the Company.

4. Corporate Opportunities

Employees, officers and Directors are prohibited from taking for themselves, personally or for the benefit of others, opportunities that are discovered through the use of corporate property, information or position, except to the extent that a waiver has been granted under Section 9 of this Code. No employee, officer or Director may use corporate property, information, or position for improper personal gain or for the improper personal gain of others, and no employee, officer or Director may compete with the Company directly or indirectly. Employees, officers and Directors owe a duty to the Company to advance the company's interests when the opportunity to do so arises.

5. Protection and Proper Use of Company Assets

All employees, officers and Directors should protect the Company's assets and ensure their efficient use. The Company's assets should be protected from loss, damage, theft, misuse, and waste. Company assets include your time at work and work product, as well as the Company's equipment and vehicles, computers and software, trading and bank accounts, Company information and the Company's reputation, trademarks and name. The Company's telephone, email, voicemail and other electronic systems are primarily for business purposes. Personal communications should be kept to a minimum. Unauthorised use or distribution of this information would violate Company policy. It is also illegal and could result in civil or even criminal penalties.



6. Competition and Fair Dealing

Each employee, officer and Director should endeavor to deal fairly with the Company's counterparties, suppliers, competitors and employees. The Company seeks to outperform its competition in a fair and honest manner. No employee, officer or Director should take unfair advantage of anyone through unlawful manipulation or concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Each employee is required to maintain impartial relationships with Company suppliers and customers. Any gifts provided to Company suppliers and customers must not be excessive in value, and must be approved in advance by the Chair of the Board.

7. Employee Harassment and Discrimination

The Company is committed to fair employment practices in which all individuals are treated with dignity and respect. The Company will not tolerate any type of illegal discrimination or harassment. The Company expects that all relationships among persons in the workplace will be professional and free of bias and harassment.

8. Environmental, Safety, and Occupational Health Practices

The Company believes that sound environmental, safety and occupational health management practices are in the best interests of the Company, its employees, its shareholders and the communities in which it operates. The Company is committed to conducting its business in accordance with recognised industry standards and to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations. Achieving this goal is the responsibility of all employees, officers and Directors.

9. Waivers of the Code

From time to time, the Company may waive certain provisions of this code. Waivers generally may only be granted by the Board. However any waiver of the provisions of this Code for officers, Directors, including the Chief Executive Officer and Chief Financial Officer may be made only by the Board of Directors or a Committee of the Board and will be disclosed to shareholders as required by applicable rules and regulations.

CODE REVIEW

The Board will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

ADOPTION

This Policy was adopted by the Board on 28 August, 2015.

2.3 POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER

The Chief Executive Officer's primary role is to take overall supervisory and managerial responsibility for the day to day operations of the Company's business and to manage the Company in an effective, efficient and forward-looking way and to fulfill the priorities, goals and objectives determined by the Board in the context of the Company's strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value. The Chief Executive Officer is responsible to the Board.

Without limiting the foregoing, the Chief Executive Officer is responsible for the following:

- a) develop and maintain the Company's goal to operate to the highest standards of the industry;
- b) maintain and develop with the Board strategic plans for the Company and implement such plans to the best abilities of the Company;



- c) provide quality leadership to the Company's staff and ensure that the Company's human resources are managed properly;
- d) provide high-level policy options, orientations and discussions for consideration by the Board;
- e) together with any special committee appointed for such purpose, maintain existing and develop new strategic alliances and consider possible merger or acquisition transactions with other mining companies which will be constructive for the Company's business and will help enhance shareholder value;
- f) provide support, co-ordination and guidance to various responsible officers and managers of the Company;
- g) ensure communications between the Company and major stakeholders, including and most importantly the Company's shareholders, are managed in an optimum way and are done in accordance with applicable securities laws;
- h) provide timely strategic, operational and reporting information to the Board and implement its decisions in accordance with good governance, with the Company's policies and procedures, and within budget;
- i) act as an entrepreneur and innovator within the strategic goals of the Company;
- j) co-ordinate the preparation of an annual business plan and budget or strategic plan;
- k) ensure appropriate governance skills development and resources are made available to the Board;
- l) provide a culture of high ethics throughout the organization; and
- m) take primary responsibility for the administration of all of the Company's administrative practices.

2.4 POSITION DESCRIPTION FOR CHAIR OF THE BOARD

PURPOSE

Unless specifically and unanimously sanctioned by other Directors, the Chair of the Board shall be an independent Director who is designated by the full Board to act as the leader of the Board.

WHO MAY BE CHAIR

The Chair will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

RESPONSIBILITIES

The following are the responsibilities of the Chair. The Chair may delegate or share, where appropriate, certain of these responsibilities with any other independent committee of the Board:

- a) Chairing all meetings of the Board in a manner that promotes meaningful discussion.
- b) Providing leadership to the Board to enhance the Board's effectiveness, including:



Heron Resources Limited

- i) Ensuring that the responsibilities of the Board are well understood by both management and the board;
 - ii) Ensuring that the Board works as a cohesive team with open communication;
 - iii) Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
 - iv) Ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
 - v) Ensuring that a process is in place by which the contribution of individual Directors to the effectiveness of the Board is assessed at least annually.
- c) Managing the Board, including:
- i) Preparing in consultation with the CEO of the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - ii) Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - iii) Ensuring meetings are appropriate in terms of frequency, length and content;
 - iv) Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
 - v) Ensuring that a succession planning process is in place to appoint senior members of management when necessary;
 - vi) Together with any special committee appointed for such purpose, approaching potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees; and
 - vii) Ensuring procedures are established to assess and recommend new nominees for appointment to the Board and its committees.
- d) Acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner.
- e) At the request of the Board and jointly with the CEO, representing the Company to external groups such as shareholders and other stakeholders, including community groups and governments.

REVIEW

The Remuneration and Nomination Committee will annually review and reassess the adequacy of these position descriptions and submit any recommended changes to the Board for approval.

ADOPTION

This Policy was adopted by the Board on 28 August 2015.