

BOARD OF DIRECTORS CHARTER

Introduction

This statement summarises the role and responsibility of the Board of the Company. The disclosure of the role and responsibility of the Board is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and management of the Company.

The roles and responsibilities of the Board will evolve as the Company moves forward. As such, a regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.

This policy statement is only a summary of the matters reserved to the Board, and should therefore only be used as a general guide, which is not to be used in a legal capacity.

Role of the Board

The Board's primary role is the protection and enhancement of shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of Beadell Resources Limited including:

- a) Formulating strategic direction;
- b) Approving and monitoring capital expenditure;
- c) Monitoring of financial performance including the review and approval of significant financial and other reporting;
- d) Setting remuneration;
- e) Appointing, removing and setting succession policies for directors and senior executives; and
- f) Establishing and monitoring the achievement of management's goals.

Responsibilities 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 (a) to (i);
- b) Ensuring the Company is properly managed for example by:

- (i) Setting and communicating clear objectives;
 - (ii) Appointing and removing the managing director of the Company;
 - (iii) Ratifying the appointment and, where appropriate, the removal of the chief financial officer and the company secretary;
 - (iv) Input into and final approval of management's development of corporate strategy and performance objectives;
 - (v) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance; and
 - (vi) Monitoring senior management's 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 divestitures;
 - d) Approval of the annual budget;
 - e) Monitoring the financial performance of the Company;
 - f) Approving and monitoring financial and other reporting;
 - g) Overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remains appropriate to the needs of the Company;
 - h) Liaising with the Company's external auditors either directly or via the Audit Committee as appropriate; and
 - i) Monitoring and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team (except for paragraphs (a), (b), (f) and (g)).

Board Structure

Board Composition

The composition of the board is determined using the following principles:

- a) a minimum of three directors, but no more than 10 directors;
- b) a majority of non-executive Directors; and
- c) at least one member with appropriate technical and commercial skills relevant to the mining industry.

Board Independence

The Board supports the principle of having a majority of non-executive and independent Directors..

The Chairperson of the Board of Directors shall be an independent director.

An independent director is a non-executive director (i.e. is not a member of management) and:

- a) is not a substantial holder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- e) has no material contractual relationship with the Company or another group member other than as a director of the Company;
- f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Term

The Board has not adopted a tenure policy.

In accordance with the Constitution of the Company, no Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.

Appointment of new members of the Board

The Board's policy for determining the selection and appointment of new directors includes consideration of:

- a) the quality of the individual;
- b) background of experience and achievement;
- c) compatibility with other Board members;
- d) credibility within the group's scope of activities;

- e) intellectual ability to contribute to Board's duties; and
- f) physical ability to undertake Board's duties and responsibilities.
- g) Additionally, the selection and appointment of new directors shall involve the following steps:
- h) candidates should be selected from a diverse pool of qualified candidates;
- i) at least one serious female candidate should be present on every shortlist; and
- j) if, at the end of the selection process a female candidate is not selected, the Board must be satisfied that there are objective reasons to support the determination.

Candidates for Board positions shall be nominated by the Remuneration, Nomination and Diversity Committee for consideration by the Board. The whole Board shall decide on the recommendations of new Directors made by the Committee.

New Directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment. New Directors participate in an induction program to enable them to gain an understanding of:

- a) the Company's financial, strategic, operational and risk management position;
- b) their rights, duties and responsibilities; and
- c) the role of Board Committees.

Board Committees

The Board has established Committees to assist the Board in exercising its authority, including the responsibilities set out in the Role and Responsibility of Management section.

The standing Board Committees are:

- a) Board Audit and Risk Management Committee; and
- b) Board Remuneration, Nomination & Diversity Committee.

Each of these Committees has its own written Charter setting out its composition, role and responsibilities and the manner in which the Committee is to operate. All Charters of these Committees are reviewed regularly and are available on the Company's website.

Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

The Board will determine the membership and composition of Board Committees, having regard to workload, skills and experience.

Meetings

The full Board holds at least eight scheduled meetings annually, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. No director participates in any deliberation regarding his own remuneration or related issues.

A record of submissions and papers, together with minutes of meetings, is maintained and held by the Company Secretary. Agendas for, and minutes of, meetings will be sent to all Directors.

Independent professional advice

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman, or in the Chairman's absence, the Board.

The Chairperson and the Managing Director

The Chairperson

The Chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chairperson is also responsible for overall shareholder communication, chairing shareholder meetings and arranging Board performance evaluation.

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 his/her 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 results.

Roles of Chairperson and Managing Director

The roles of the Chairperson and Managing Director should not be exercised by the same individual.

Role and Responsibility of Management

Management of the day-to-day business of the Company is to be conducted by or under the supervision of the Board, and by those other officers and employees to whom the management function is properly delegated by the Board.

Information is formally presented to the Board at Board meetings by way of Board reports and review of performance to date. When directors are providing information about opportunities for the Company, this should always be through the Board.

Performance Evaluation of the Board, Directors and Executives

The Board

Consideration is given to the following in all reviews:

- a) comparison of the performance of the Board against the Board Charter;
- b) assessment of the performance of the Board in the period since its last review;
- c) assessment of the level and effectiveness of the Board's interaction with management; and
- d) review of the Board's Charter to ensure it remains relevant to the Company's activities.

The method and scope of the performance evaluation will be set by the Board and may include the use of an independent advisor.

Directors

The Chairperson will have primary responsibility for conducting performance appraisals of directors, having particular regard to:

- a) contribution to the Board;
- b) availability for and attendance at Board meetings and other events;
- c) contribution to Company strategy;
- d) achievement of key operational goals and strategic objectives;
- e) development of management and staff; and
- f) achievement of key performance indicators.

In the case of the Managing Director, in addition to the criteria stated above, compliance with legal and Company policy requirements will also be assessed.

Executives

The Managing Director will have primary responsibility for conducting performance appraisals of executives, having particular regard to;

- a) contribution to Company strategy;
- b) achievement of key operational goals and strategic objectives;
- c) development of staff; and
- d) achievement of key performance indicators.

Review of performance evaluations

Reviews are carried out annually, co-incident with salary reviews and may be formal or informal in nature.

Review of this Charter

The Board will review this charter and the charters of Board committees annually to ensure they remain consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance.

Adoption of the Charter

This policy and these procedures were formally adopted by resolution of the Directors of the Company on 23 September 2009.

LAST UPDATED:

March 2013