

BOARD CHARTER - STATEMENT OF MATTERS RESERVED FOR THE BOARD

INTRODUCTION AND PURPOSE

This statement summarises the role and responsibility of the board of Matsa Resources Limited ("Matsa" or "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 Matsa.

It must be noted that the roles and responsibilities of the board will evolve. As such, a regular review of the balance of responsibilities is seen to be appropriate to 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

Key Responsibilities

The management and control of the business of Matsa is vested in the board. The board's primary responsibility is to oversee Matsa business activities and management for the benefit of Matsa shareholders. The board also recognises its responsibilities to Matsa employees, the environments and communities in which Matsa operates and where appropriate, other stakeholders. The Board provides the strategic direction and leadership of the Company and regularly measures the progression by senior management of that strategic direction.

The board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

The key responsibilities of the board include:

- (a) Appointing the chief executive officer, or equivalent, for a period and on terms as the directors see fit and, where appropriate, removing the chief executive officer, or equivalent;
- (b) Development of the Company's corporate objectives and strategy with management and approval of plans, major capital and operating expenditures and significant funding activities proposed by management;
- (c) Monitoring and reviewing the Company's actual performance against forecast expectations to understand the state of the health of the Company and, when required, challenging senior management on both performance and implementation of strategy;
- (d) Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- (e) Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;

- (f) Satisfying itself that there are appropriate reporting systems and controls in place to assure the board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately.
- (g) Ratifying the appointment and, where appropriate, the removal of senior executives, including the chief financial officer and the company secretary;
- (h) Satisfying itself that the Company has in place an appropriate risk management framework (financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (i) Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (j) Approving and monitoring financial and other reporting systems;
- (k) Ensuring the integrity of the Company's financial statements such that they fairly and accurately reflect the financial position and financial performance for the period under review;
- (l) Providing overall corporate governance of the Company, including conducting regular reviews of the Company's governance practices;
- (m) Ensuring the Company makes timely and balanced disclosure of all material information to its shareholders and the market;
- (n) Assuring itself that appropriate audit arrangements are in place;
- (o) Ensuring compliance with the Company's legal obligations and assuring the Company has adopted and consistently practices within its Code of Conduct
- (p) Reporting to and advising shareholders.

Delegated Responsibility

The Board may not delegate its overall responsibility for the matters listed above. However, it may delegate to senior management the responsibility of the day-to-day activities. Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be part of senior management.

The role of senior management is to progress the strategic direction provided by the Board. In particular, the chief executive officer, or equivalent, is responsible for the day-to-day activities of the Company in advancing the strategic direction. The role of the Chair and the Chief Executive Officer are not separate and the Company operates with an Executive Chairman.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure that this is achieved. These mechanisms include the following:

- As outlined above, the board oversees the strategic direction of the Company.
- As outlined above, the board approves all budgets.

The Board convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. The Board receives monthly management reports that include both financial and non-financial performance information.

Procedures are in place to allow any director or Committee of the board to seek external professional advice as considered necessary, at the Company's expense.

Procedures are in place to incorporate presentations from senior management at relevant Committee meets on an as required basis to increase the Committee's understanding of the area.

Further, the board may request further information from management from time to time on any issue.

In the event that a potential conflict of interest may arise, involved directors withdraw from deliberations concerning the matter.