



STATEMENT OF MATTERS RESERVED TO THE BOARD

1. INTRODUCTION AND PURPOSE

This statement summarises the role and responsibility of the Board of Tanami Gold NL (“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.

It must be noted that the roles and responsibilities of the Board will evolve as the Company moves forward. 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.

2. ROLE OF THE BOARD

2.1 Key Responsibilities

The management and control of the business is vested in the Board.

The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the shareholders.

The Board also recognises its responsibilities to the Company's employees, the environments and communities in which the Company operates and where appropriate, other stakeholders.

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

The key responsibilities of the Board include:

- appointing, evaluating, rewarding and if necessary the removal of Executive Directors and Senior Management.
- development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;

- overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- being satisfied that the financial statements of the Company fairly and accurately set out the financial position and financial performance for the period under review;
- being satisfied 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 and further;
- approving and monitoring financial and other reporting;
- being assured that appropriate audit arrangements are in place;
- ensuring that the Company acts legally and responsibly on all matters and assuring itself that a Code of Conduct has been adopted and that the Company practice is consistent with that Code; and
- reporting to and advising shareholders.

2.2 Delegated Responsibility

The Board has delegated responsibility for the day-to-day activities to the Deputy Chairman/Executive Director and General Manager and Senior Executives of the Company. The Board ensures that the team members are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Executive Directors and Senior Management.

The roles of the Chairman and the Deputy Chairman/Executive Director are not combined. The Deputy Chairman/Executive Director and General Manager are accountable to the Board for all authority delegated to those positions.

Although there is a clear division between the responsibilities of the Board and management, 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:

- Establishment of the following Committees:
 - Audit Committee;
 - Risk Committee;
 - Remuneration and Nomination Committee; and
- Overseeing the strategic direction of the Company.