

# RED RIVER RESOURCES LIMITED

## BOARD CHARTER

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### 1. Introduction

The Board of directors is accountable to the shareholders for the performance of Red River Resources Limited.

The Board undertakes to serve the interests of the shareholders and other stakeholders honestly, fairly, diligently and in accordance with applicable laws.

### 2. Role of Board

The Board's responsibilities include the following:

- Setting strategic direction of the Company, establishment of goals for management and monitoring the achievement of these goals;
- Appointment and removal of the Chief Executive Officer including determination of conditions of service and monitoring of performance;
- Ratification of the appointment and, if appropriate removal of, the Chief Financial Officer (or equivalent) and the Company Secretary;
- Input and approval of management's development of corporate strategy and performance objectives;
- Approval and monitoring of financial and other reporting including approval of annual budgets;
- Approval and monitoring of progress of major capital expenditure, capital management and acquisitions; and
- Setting and reviewing systems of risk management and internal compliance and control, codes of conduct and legal compliance including ensuring compliance with continuous disclosure requirements.

The Board delegates to the managing director the responsibility for managing the day to day operations of the overseas interests of the Company. The managing director consults with the Chair in the first instance on matters which are sensitive, extraordinary or strategic in nature.

### 3. Board size and composition

The Board determines the size and composition of the Board subject to the Company's constitution. The constitution provides for a minimum of three Directors and a maximum of ten. At the present time the Board has determined that the number of Directors should be three, two of which are non-executive and one being the managing director is executive.

The Board has determined at the time there is no necessity for a Nomination Committee. Potential new Directors to commend to shareholders are identified by the Board based on expertise encompassing the current and proposed activities of the Company. The Board will seek to nominate potential Directors who can exercise independent and informed judgment on matter which will come before the Board and are free from any relationship with the Company which may interfere with their ability to make independent and informed judgments.

#### **4. Role of Chair**

The Chair's role consists of leading the Board and general meetings of the Company. They are responsible for ensuring the directors are well informed and effective; ensuring all Directors are contributing effectively and all matters are properly considered and there is clear decision making.

The Chair is responsible for ensuring meetings are conducted competently and ethically including ensuring that shareholders have adequate opportunity to express their views and obtain answers to any queries raised.

The Chair is responsible for setting the agenda for Board and general meetings and the review of the minutes of Board and general meetings.

The Chair's other responsibilities include:

- Representative of and spokesperson for the Board;
- Ensure all new Board members are well briefed and have access to all aspects of the Company's operations; and
- Act as the Board's representative in dealing with management.

#### **5. Board meetings**

The Board meets formally at least three times per annum and whenever necessary to deal with other matters which may arise between scheduled meetings.

Other consultants may attend the meeting at the Chair's request to present reports and advise on matters. However, discussion of management issues and other issues of a sensitive nature for which the Board is responsible are conducted with only Board members present.

#### **6. Board Committees**

The Company is not of a size nor will the current Board structure allow the formation of Committees. Any issues which would be considered by the applicable committee are considered by the full Board of the Company, including remuneration of senior management, audit issues, risk management issues and nominations to the Board.

Board of Directors  
Red River Resources Limited