



KASBAH RESOURCES LIMITED
ACN 116 931 705

CORPORATE GOVERNANCE MANUAL

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1. BOARD CHARTER

ROLE OF THE BOARD

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

THE BOARD'S RELATIONSHIP WITH MANAGEMENT

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.

Specific limits on the financial authority delegated to the Chief Executive Officer and the Executive Team must be set out in the Delegation of Authorities approved by the Board.

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with senior executives within the Group to facilitate the carrying out of their duties as Directors.

SPECIFIC RESPONSIBILITIES OF THE BOARD

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- a) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- b) Appointment, and where necessary, the replacement, of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination.
- c) Approving the Company's remuneration framework.
- d) Monitoring the timeliness and effectiveness of reporting to Shareholders.
- e) Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- f) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures in line with Delegation of Authorities.
- g) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.
- h) Approving the annual, half yearly and quarterly accounts.
- i) Approving significant changes to the organisational structure.
- j) Approving decisions affecting the Company's capital structure, including determining the Company's dividend policy and declaring dividends.

- k) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable).
- l) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- m) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

COMPOSITION OF THE BOARD

The Board should comprise Directors with a mix of qualifications, experience, gender and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

The composition of the Board is to be reviewed regularly against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

Where practical, the majority of the Board should be comprised of non-executive Directors. Where practical, at least 50% of the Board should be independent.

An independent Director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

In considering whether a Director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition as set out in Annexure A (Independence Tests).

The Company must disclose the length of service of each Director in, or in conjunction with, its Annual Report.

The Company must disclose the relevant qualifications and experience of each Board Member in, or in conjunction with, its Annual Report.

DIRECTOR RESPONSIBILITIES

Where a Director has an interest, position, association or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not compromise the independence of the Director, the Company must disclose the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion.

Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.

Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.

No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

THE ROLE OF THE CHAIRPERSON

The Chairperson is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings, ensuring then approving that an accurate record of the minutes of board meetings is held by the Company and conducting the shareholder meetings.

Where practical, the Chairperson should be a non-executive Independent Director. If a Chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director.

Where practical, the Chief Executive Officer should not be the Chairperson of the Company during his term as Chief Executive Officer or in the future.

The Chairperson must be able to commit the time to discharge the role effectively.

The Chairperson should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

In the event that the Chairperson is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting in an Acting capacity

BOARD COMMITTEES

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of Board committees. To this end the Board has established a Remuneration Committee and Audit Committee.

The Board will consider the establishment of the following committees when it deems appropriate:

- a) Nomination Committee; and
- b) Such special purpose committee(s) as deemed appropriate from time to time for specific purposes.

The Board does not have a separate nomination committee. The Board performs the functions that would be undertaken by a nomination committee. At present, the Board does not believe any efficiency or other benefits would be gained by establishing a separate nomination committee.

The Board also has not set up a separate risk management committee and approaches risk on a full Board basis. The Board as a whole assesses:

- a) the adequacy of the Company's processes for managing risk;
- b) any incident involving fraud or other break down of the Company's internal controls; and
- c) the Company's insurance program having regard to the Company's insurable risks associated with its business.

The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.

The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.

Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.

The Company must disclose the members and Chairperson of each Committee in, or in conjunction with, its annual report.

The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

The Company must disclose in, or in conjunction with, its annual report, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.

BOARD MEETINGS

There must be a minimum of two Directors present at a meeting to constitute a quorum necessary for the transaction of business at a meeting, however Directors may determine a greater number of Directors is required to constitute a quorum.

The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.

Non-executive Directors may confer at scheduled times without management being present.

The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson and circulated to Directors after each meeting.

The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.

The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any committee.

Minutes of meetings must be approved at the next Board meeting.

Further details regarding Board meetings are set out in the Company's Constitution.

THE COMPANY SECRETARY

When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary is to facilitate the induction and professional development of Directors.

The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.

The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.

All Directors have access to the advice and services provided by the Company Secretary.

The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

ACCESS TO ADVICE

All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.

All Directors may consult management and employees as required to enable them to discharge their duties as Directors.

The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson. A copy of any such advice received is made available to all members of the Board.

2. PERFORMANCE EVALUATION

The Nomination Committee, or in its absence the Chairperson, will arrange a performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis as appropriate. To assist in this process an independent advisor may be used.

The Nomination Committee, or in its absence the Chairperson, will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- a) comparing the performance of the Board with the requirements of its Charter;
- b) suggests any amendments to the Charter as are deemed necessary or appropriate;
- c) critically reviews the mix of the Board;
- d) examination of the Board's interaction with management;
- e) the nature of information provided to the Board by management; and
- f) management's performance in assisting the Board to meet its objectives.

A similar review may be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration Committee will oversee the evaluation of the remuneration of the Company's senior executives. This evaluation must be based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

The Company must disclose, in relation to each financial year, whether or not the relevant annual performance evaluations have been conducted in accordance with the above processes.

3. CODE OF CONDUCT

The Kasbah Code of Conduct aims to define the appropriate standards of conduct and behavior and applies to its directors, officers, employees and contractors of the Company. It also provides a framework for the identification and resolution of issues concerning the conduct of employees at the Company. It is intended to guide employees in their dealings with colleagues, clients, the Company and the local communities. It does not address all possible situations that may arise during employment with the Company but it is a set of principles that provide guidance on acceptable and unacceptable behaviour.

The Code stands beside but does not exclude or replace the rights and obligations of staff under common and statute law.

The Company views breaches of this code as serious misconduct. Personnel who have become aware of any breaches of this code must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant personnel of the outcome and actions implemented.

Personnel who in good faith, report a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Personnel who breach the policies outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

PROTECTION FROM LIABILITY

The Company will indemnify its employees against liabilities incurred by them while carrying out their duties in good faith for the Company. It will stand behind its employees and meet the costs of actions that might be taken against them personally as though the action had been taken against the Company, provided that the employee concerned was acting in good faith and not in breach of the Code of Conduct, corporate or site policies.

COMMUNICATING EXTERNALLY

The Company's relationships with the media and the investment community are to be conducted exclusively by the Chief Executive Officer, or as delegated by the Chief Executive Officer. Employees and contractors are not authorised or permitted to act as official spokesperson or to comment to the media or in any social media on behalf of the Company, unless otherwise delegated by the Chief Executive Officer.

COMPANY RESPONSIBILITIES

The Company strives to protect the health and welfare of its people by providing an environment free from discrimination and harassment and which enables employees to balance their work life with their family responsibilities and outside activities.

RESPONSIBILITIES OF EMPLOYEES

Responsibilities under the Code fall into four categories:

- Respect for the law, local institutions and indigenous customs;
- Fair treatment of people;
- Personal and professional behaviour; and
- Exercising care and diligence in employment.

RESPECT FOR THE LAW

Whilst overseas all employees have an obligation to observe and comply with all overseas laws and respect overseas institutions and customs. This is fundamental to maintaining the Company's reputation and corporate standing overseas.

If in Australia, and travelling to and from overseas all employees have obligations to observe and comply with all relevant State, Territory and Commonwealth law.

They are also required to act in accordance with Company goals, policies and procedures and to respond positively to any lawful and reasonable directions given by persons who are authorised to give such a direction.

They should also uphold the good name of the Company and exercise judgement in the best interests of the Company.

In meeting this obligation, employees should be aware of:

- The Company's goals, policies and procedures;
- Laws such as Mines Safety legislation, Privacy Act, Freedom of Information Act, equal opportunity legislation, workplace legislation relevant to employment; and
- Administrative and legal measures that are designed to enhance the accountability of the Company and its staff members.

The Company recognises that acts of corruption undermine the effectiveness and legitimacy of government institutions to the detriment of the general public.

Bribes or corrupt payments are defined as giving or offering a benefit (either cash or in-kind) to a private individual or organisation or a public official or representative where it is not legitimately due with the intention to influence the relevant person or organisation.

The Company will not make any bribes or corrupt payments to government officials to obtain any improper or illegitimate benefit or advantage.

Directors, officers, employees and contractors are strictly prohibited from offering or making any such payments. This policy applies in all jurisdictions and applies to both public officials and private organizations and individuals.

Directors, officers, employees and contractors must comply in all respects with Australian law (the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999) which makes it an offence for Australian companies and Australian residents and citizens to bribe foreign public officials.

Regulated activities include facilitation payments and gifts and entertainment. Facilitation payments are legitimate legally sanctioned payments made to government officials to expedite or to secure performance for routine government acts. These payments must be legally sanctioned and form a part of the relevant regulatory regime. Appropriate records must be kept and official receipts must be provided and retained.

In the event a director, officer, employee or contractor becomes aware of an actual or suspected situation which may lead to bribery or corruption it should be promptly reported to that employee's manager or to the Company Secretary.

The Company will make and keep books that provide full, fair, accurate, and timely disclosure in reasonable detail that comply with applicable laws and accounting standards. It is a violation of this code for any director, officer or employee to directly or indirectly falsify or cause to be false or allow to be misleading any financial or accounting book, record or account, to directly or indirectly manipulate an audit, to destroy or tamper with any record or document with the intent to obstruct an audit, review or governmental investigation.

Any reports or information provided, on behalf of the Company, to federal, provincial, territorial, state, local or foreign governments must be true, complete and accurate. Employees are required to assist the Company in providing true, complete and accurate reports and information. Any omission, misstatement or lack of attention to detail could result in a violation of the reporting laws, rules and regulations.

FAIR TREATMENT OF PEOPLE

This obligation covers the conduct of employees in their dealings with others including other employees of the Company, clients and members of the local communities.

For example, all employees should:

- Refrain from insulting the personal beliefs of local people and other employees and accept their legitimate right to practice their beliefs;
 - Engage in conduct that is non-discriminatory on the basis of religion, sex, race, sexuality, disability, cultural background, marital status, age, union affiliation, political conviction or family responsibilities;
 - Be respectful, responsive, courteous and prompt in dealing with stakeholders;
 - Refrain from acting in a way that would unfairly harm the reputation and career prospects of other employees;
 - Treat other employees with courtesy, fairness and equity; and
 - Avoid behaviour that may be reasonably perceived as harassing, intimidating, overbearing, bullying or physically or emotionally threatening.
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PERSONAL AND PROFESSIONAL BEHAVIOUR

Whilst overseas employees are an ambassador for Kasbah during both their work and leisure time.

Employees are placed in a position of trust and are expected to understand their obligations to the Company at all times and to be honest in carrying out their duties.

This trust is placed at risk when the employee fails to recognise and avoid (i) conflicts between their private interests and Company responsibilities and (ii) situations where there is a reasonable basis for the perception of such a conflict.

Situations that may give rise to conflict of interest are typically:

- Personal relationships with other employees;
- Personal relationships with people the Company is dealing with e.g. contractors or clients;
- Personal relationships with local people that is unlawful under overseas law; and
- Secondary employment that compromises the integrity of the Company. (I.e. outside work must not be accepted where it may cause a conflict between the employee's private interests and duties to the Company).

Employees are expected to carry out their duties honestly, responsibly and impartially to the best of their ability. For example, all employees should:

- Carry out their duties in a professional, responsible and conscientious manner;
- Carry out official directions and policies in a faithful, impartial and transparent manner;
- Ensure decisions can be seen to be reasonable, fair and appropriate to the circumstances based on consideration of all the relevant facts and supported by adequate documentation;
- Report genuinely suspected or known fraud or corrupt conduct to appropriate Company employee/authorities through the appropriate channels;
- Refrain from any conduct including alcohol or substance abuse or misuse, which could adversely affect personal work performance or the safety and well-being of themselves or others;
- Act in accordance with occupational health and safety legislation, regulations and policies applicable to the organisation and to use security and safety equipment provided. This includes following the safety and security directives of management, advising management where there are potential problems in safety and reporting suspicious occurrences and minimising risks in the workplace;
- Take reasonable steps to ensure adequate protection of all confidential information;
- Maintain as appropriate the confidentiality of Company dealings when interacting with outside organisations and others within the Company;

- Ensure that any official Company information is not used, without Management/Board authorisation, in order to gain a financial or other benefit for themselves or any other person or group;
- Give due credit to the contributions of other staff members;
- Maintain adequate security over Company property, facilities and resources and information;
- Ensure that Company resources are managed effectively, efficiently and for their specified purpose; and
- Ensure that resources are used in a manner which does not harm the environment.

Employees must not offer, promise, give, demand or accept any undue advantage, whether directly or indirectly, to or from:

- A public official;
- A political candidate, party or party official;
- A community leader or other person in a position of public trust; or
- Any private sector employee

in order to obtain, retain or direct business or to secure any other improper advantage in the conduct of business.

Gifts should never be offered or accepted in circumstances where the outcome of a transaction may be influenced or give rise to the perception that the transaction may be influenced by the gift.

Gifts, invitations involving travel and accommodation and entertainment reasonably estimated to be in excess of a value of \$150 must be disclosed to your manager for authorisation.

Unless governed by law or otherwise agreed in writing, any intellectual property developed by an employee during or as a result of employment with the Company is the sole property of the Company.

REPORTING BREACHES AND VIOLATIONS

An essential part of (developing and) maintaining a safe and fair work environment is to ensure that individuals with concerns are encouraged to come forward in the knowledge that the Company will:

- Consider and investigate, if appropriate, allegations of behaviour that may breach the Code or other Company policies;
- Take all reasonable steps to provide protection for employees who make disclosures in good faith regarding conduct that is inconsistent with this Code; and
- Follow the appropriate procedures depending on the issues/concerns raised.

Employees should be alert and sensitive to situations that could result in actions that might violate federal, state, or local laws or the standards of conduct set forth in this Code. If an employee believes that their own conduct or that of a fellow employee may have violated any such laws or this Code, then the employee is required to report the matter.

Violations may be reported to the employees supervisor, the Company Secretary or the Chief Executive Officer of the Company. If the employee does not believe that the violations has been adequately addressed, they should report the violation to the Company's Chairperson or the Chair of the Audit Committee of the Board of Directors.

Directors and officers of the Corporation should report any potential violations of this Code to the Company's Chairperson or Chair of the Audit Committee of the Board of Directors.

Employees do not have to reveal their identity in order to make a report. If they do reveal their identity, it will not be disclosed unless disclosure is unavoidable during an investigation.

In no event will the Company take or threaten any action against an employee as a reprisal or retaliation for making a complaint or disclosing or reporting information in good faith. However, if a reporting individual was involved in improper activity the individual may be appropriately disciplined even if they were the one who disclosed the matter to the Company. In these circumstances, the Company may consider the conduct of the reporting individual in reporting the information as a mitigating factor in any disciplinary decision.

Retaliation for reporting a federal offense is prohibited under this Code. Retaliation for reporting any violation of law, rule or regulation or a provision of this Code is prohibited. Retaliation will result in discipline up to and including termination of employment and may also result in criminal prosecution.

EXERCISING CARE AND DILIGENCE IN EMPLOYMENT

In the course of their duties, an employee is entrusted with personal information. The employee concerned has a duty to maintain the confidentiality of personal and official information.

All employees have the right to expect confidentiality and privacy with respect to personal information.

Company property, funds, tools, equipment, vehicles, facilities and services must be used for authorised purposes.

DIRECTORS

The following additional comments apply to directors of the Company and aim to ensure Directors have a clear understanding of the Company's expectations of their conduct.

Fiduciary Duties

All Directors have a fiduciary relationship with the shareholders of the Company. A Director occupies a unique position of trust with shareholders, which makes it unlawful for Directors to improperly use their position to gain advantage for themselves.

Duties of Directors

Each Director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, Directors need to devote sufficient time and effort to understand the Company's operations.

Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.

Conflict of Interest

At all times a Director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a Director or a Director's associates may conflict with those of the Company, then the Director must immediately disclose such conflict and either:

- (a) eliminate the conflict; or
- (b) abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive Directors must always be alert to the potential for a conflict of interest between their roles as Executive Managers and their fiduciary duty as Directors.

INSIDER TRADING

Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's value of its securities must not be used for any purpose other than valid Company requirements.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

It is the responsibility of both the CEO and the CFO to provide written assurances to the Board that in all material respects:

- (a) the financial reports submitted to the Board represent a true and fair view of the Company's financial condition and operational results; and
- (b) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

STAKEHOLDERS

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, suppliers, customers, financiers, government instrumentalities and any communities in which the Company conducts business.

The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development of its business and the provision of innovative solutions within the mining and related industries.

The Company is committed to conducting all its operations in a manner which:

- (a) protects the health and safety of all employees, contractors and community members;
- (b) recognises, values and rewards the individual contribution of each employee;
- (c) achieves a balance between economic development, maintenance of the environment and social responsibility;
- (d) maintains good relationships with suppliers and the local community; and
- (e) is honest, lawful and moral.

All employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

NOTIFICATION

A copy of this Code must be provided to personnel upon appointment.

4. SECURITIES TRADING POLICY

Purpose

- a) This policy sets out the requirements for directors, employees, consultants and contractors of Kasbah Resources Limited (“Kasbah” or “the Company”) and its related entities in relation to dealing in securities of Kasbah Resources Limited or any other securities which may be affected by this policy or the law.
- b) This policy has important implications for all directors, officers and employees. If you do not understand the implications of this policy or how it applies to you, you should raise the matter with the Chief Executive Officer or the Company Secretary before trading in any securities which may be affected by this policy or the law.
- c) This policy only provides a summary of applicable legal and regulatory issues which are complex, and should therefore only be used as a general guide and not as legal advice.

Insider Trading

The Corporations Act 2001 prohibits Insider Trading.

If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:

- a) deal in the securities;
- b) procure another person to deal in the securities; or
- c) give the information to another person (also known as “tipping”) who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

Insider trading is a criminal offence. It is punishable by substantial fines and/or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

What is Inside Information?

Inside information is information that:

- a) is not generally available; and
- b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- a) is readily observable;
- b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs above.

The Trading Policy

As a general rule, directors, officers and employees must not:

- a) buy, sell or otherwise deal in Kasbah securities whilst in possession of price sensitive information;
- b) advise, procure or encourage any other person to buy, sell or otherwise deal in Kasbah securities whilst in possession of price sensitive information;
- c) pass on information to any person, if you know or ought to reasonably know that the person may use the information to buy, sell or otherwise deal (or procure another person to buy, sell or otherwise deal) in Kasbah securities.
- d) engage in short-term trading (less than one month), or short selling of the Company's securities at any time;
- e) enter into margin lending or other secured financing arrangements in respect of the Company's securities; or
- f) enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under an equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future (e.g. hedging).

Company Securities

Directors or officers are to obtain prior written approval from the Chairperson (and the Chairperson is required to confirm with the Chief Executive Officer that there is no market sensitive information that has not been released), or in his absence the Chief Executive Officer, at least one day prior to the purchase / sale of securities in Kasbah held by the director or officer. Should the Chairperson wish to purchase / sell securities he shall similarly notify the Chief Executive Officer and/or the Company Secretary the at least one day prior to sale.

Employees or potential insiders are to obtain prior written approval from the Chief Executive Officer or in his absence, the Company Secretary, at least one day prior to the purchase / sale of securities in Kasbah held by the employee.

A director, officer or employee shall not trade securities in Kasbah if the director, officer or employee is aware of any information concerning Kasbah which has not been made public and/or which if made public, a reasonable person would expect to have a material impact on the price or value of Kasbah securities. Employees must inform the Chief Executive Officer of all market sensitive (material) information immediately after they become aware of it.

If the Chairperson has received a request for either a sale or purchase of securities in Kasbah he is required to confirm in writing with the Chief Executive Officer or in his absence the Company Secretary that there is no market sensitive information that has not been released.

Closed Period

The following periods are considered a Closed Period and directors, officers and employees must not trade in the company securities:

- a) the period 14 days immediately preceding the announcement of the Company's quarterly reports;
- b) the period 14 days immediately preceding the Board meeting for the approval of the Company's half year and annual accounts; or
- c) any other periods advised by the Company.

Definition

This policy extends to directors, officers, employees or potential insiders (including such parties as advisors and consultants who have access to, or are involved with confidential information). This includes a director, officer or employee of Kasbah, the director's, officer's or employee's immediate family (includes a person or persons under the control or influence of the director, officer or employee) and related entities controlled by the director, officer or employee or members of the immediate family.

Exceptional Circumstances in Which Trading in a Closed Period is Permitted

For the purpose of this trading policy, the following dealing in securities is permitted during a closed period:

- a) transfers of securities where the beneficial ownership of the securities does not change, e.g. the transfer of securities already held into a superannuation fund where the person is the major beneficiary;
- b) the exercise of an option or a right, or the conversion of a convertible security, where the final date to exercise the option or right, or convert the security, falls during a prohibited period;
- c) undertakings to accept, or acceptance of, takeover offers; and
- d) trading under an offer or invitation made to all or most of the Company's security holders such as a rights issue, security purchase plan, a dividend reinvestment plan or securities buy back.

Persons who are not in the possession of price sensitive information, may be given prior written clearance by the Chairperson to sell or otherwise dispose of Kasbah securities during a prohibited period, where the person is in severe financial difficulties or other exceptional circumstances determined by the Board, such as required under a court order, in a bona fide family settlement, or some other overriding legal or regulatory requirement to do so.

Other Securities

A director, officer or employee shall not trade securities of another company where the director, officer or employee is aware of:

- a) non-public information regarding investigations or negotiations being conducted by Kasbah or any of its related entities into that company; and/or
- b) non-public material information of a company in partnership with Kasbah.

Breach of Policy

A breach of this policy by an employee may lead to disciplinary action. It may also be a breach of the law.

ASX Notification for Directors

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

Assistance and Additional Information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Company Secretary or his designate on **(08) 9463 6651**.

Securities Trading Policy – Clearance Request

In accordance with the Securities Trading Policy of the Kasbah Resources Limited, before dealing in any Company Securities, you are required to obtain clearance.

Please forward this request to the Company Secretary or his designate by fax no. **(08) 9461 6652** or by email to kpolllocks@kasbahresources.com so that the necessary approval may be obtained

Name: _____

Position: _____

Location: _____

Telephone: _____

Facsimile: _____

I request permission to trade the following securities which are proposed to be held by myself personally and/or other parties with whom I have an interest as follows:

Type of Security	Number of Securities	Buy/Sell/Exercise & Hold/ Exercise & Sell

I confirm that:

- a) it is not a closed period;
- b) I am not in possession of inside information;
- c) I will not deal in the above securities until I am notified that clearance is approved; and
- d) I may be refused permission to deal without explanation.

Signed: _____ Date: _____

This form is valid for a period of 5 business days from the date of approval. After which time, clearance will lapse and a further request will need to be completed. This form will be returned to the applicant with the period of validation completed if approval has been granted.

For completion by the authorising Officer as per Security Trading Policy

Approval for the above dealing has been: cleared for a period of 5 business days
 refused

Signed: _____ Date: _____

Name: _____

5. AUDIT COMMITTEE CHARTER

Scope

The Audit Committee is a Committee of the Board of the Company with the specific powers delegated under this Charter. The Charter sets out the Audit Committee's function, composition, mode of operation, authority and responsibilities.

Function

The primary function of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company. In addition, the Committee will:

- (a) oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors (if and when appointed);
- (b) determine the independence and effectiveness of the external and internal auditors;
- (c) maintain open lines of communications among the Board, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- (d) to review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public; and
- (e) review the adequacy of the reporting and accounting controls of the Company.

The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Company or professional advisers where appropriate.

Membership and Composition

The Board shall appoint the members of the Committee. The Committee will comprise:

- (a) at least three members;
- (b) only Non-executive Directors;
- (c) a majority of Independent Directors;
- (d) an Independent Chairperson appointed by the Board and who is not the Chairperson of the Board; and
- (e) where possible, members with sufficient financial skills and experience relevant to the Committee's functions.

Meetings

The Committee shall:

- (a) meet as frequently as required but at least three times per year; and
- (b) the minimum quorum for a committee meeting is two members.

The secretary of the Committee is the Company Secretary.

The internal or external auditors may request a meeting and such a request is to be met.

Authority

In performing its functions in accordance with any applicable law, the Committee:

- (a) has unrestricted access to the external auditors, the internal audit firm, Senior Management and employees of the Company. Management and employees are directed to co-operate with Committee's requests or from external parties;
- (b) has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- (c) may seek independent external advice on matters brought before the Committee or in relation to the functions and responsibilities of the Committee; and
- (d) shall have the power to conduct or authorise investigations into any matters within the committee's scope of responsibilities or when requested by the Board.

Responsibilities

The Committee must promote an environment within the Company which is consistent with credible and objective financial reporting. In particular, the Committee must:

- (a) perform an independent review of financial information prepared by management for external reporting. This will include conducting reviews of the annual report, Directors' report, annual financial statements, half yearly financial statements and any other externally reported financial information required by law;
- (b) monitor the integrity and effectiveness of financial reporting processes;
- (c) review and assess the external audit arrangements and the results of the audit;
- (d) appoint, review and assess the internal audit arrangements, as applicable, and consider significant internal audit findings and management's responses and related actions;
- (e) review and ensure implementation of recent professional and regulatory announcements; and
- (f) ensure that appropriate policies are established and adequate systems are in place to identify and disclose related-party transactions and assess the propriety of any related party transactions.

Internal Audit Function

The Committee shall report to the Board on the internal audit function (if applicable), including:

- (a) monitoring the need for a formal internal audit function and its scope;
- (b) assessing the performance and objectivity of any internal audit procedures that may be in place;
- (c) reviewing risk management and internal compliance procedures;
- (d) monitoring the quality of the accounting function; and
- (e) reviewing the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls.

External Audit Arrangements

The Committee shall report to the Board on external audit arrangements, including:

- (a) making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the external audit firm;
- (b) review and approve the terms of engagement for the external auditor;
- (c) review the scope of the external audit with the external auditor including identified risk areas;
- (d) monitor the performance of the external audit including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;
- (e) review and assess non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;
- (f) review and monitor management's responsiveness to the external audit findings; and
- (g) on a periodic basis, meet with the external auditor without the presence of management.

Appointment of External Auditor

Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

The Committee and the Board will consider the appointment in conjunction with Senior Management.

Rotation and Succession Planning

The Committee will discuss with the auditor the provisions the audit firm has in place for rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner be rotated at least every 5 years.

Reliance on information or professional or expert advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

Management Sign-off Procedure

The Audit Committee will ensure that the Chief Executive Officer and Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.

Minutes

Minutes must be prepared, approved by the Chair and circulated to members within three weeks of a meeting. The minutes must be ratified at the next meeting of the Committee. The Chairperson should report to the Board after each meeting.

Reviews

The Audit Committee will review its performance on an annual basis.

The Audit Committee should review this charter and its composition annually. The Board should consider the Committee's charter and/or composition.

6. CONTINUOUS DISCLOSURE POLICY

This policy outlines the disclosure obligations of the Company as required under the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The policy is designed to ensure that procedures are in place so that the stock market in which the Company's securities are listed is properly informed of matters which may have a material impact on the price at which the securities are traded.

The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

Disclosure Officer

The Chief Executive Officer and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

In the absence of the Chief Executive Officer and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairperson.

Material Information

In accordance with the ASX Listing Rules, the Company must immediately notify the market (via an announcement to the ASX) of any information concerning the Company which a reasonable person with experience in the industry in which the Company operates would expect to have a material effect on the price or value of the Company's securities.

Information need not be disclosed if:

- (a) a reasonable person would not expect the information to be disclosed; **and**
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; **and**

- (c) one or more of the following applies:
 - (i) it would breach the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; or
 - (v) the information is a trade secret.

The Company is also required to disclose information if asked to do so by the ASX, to correct or prevent a false market.

Note that the Company is deemed to have become aware of information where a Director or Executive Officer has, or ought to have, come into possession of the information in the course of the performance of their duties as a Director or Executive Officer.

The Corporations Act defines a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities.

Review of Communications for Disclosure

The disclosure officers will review all communications to the market to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:

- (a) media releases;
- (b) analyst, investor or other presentations;
- (c) prospectuses; and
- (d) other corporate publications.

Examples of information or events that are likely to require disclosure include:

- (a) financial performance and material changes in financial performance or projected financial performance;
- (b) changes in relation to Directors and Senior Executives, including changes in the terms of employment of the Chief Executive Officer and the independence of Directors;
- (c) mergers, acquisitions, divestments, joint ventures or material changes in assets;
- (d) significant developments in new projects or ventures;
- (e) material changes to the Company's security position;

- (f) material information affecting joint venture partners, customers or non-wholly owned subsidiary companies;
- (g) media or market speculation;
- (h) analyst or media reports based on inaccurate or out of date information;
- (i) industry issues which have, or which may have, a material impact on the Company; and
- (j) decisions on significant issues affecting the Company by regulatory authorities.

Where there is any doubt as to whether an issue might materially affect the price or value of the Company's securities, the disclosure officers will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.

All presentations to analysts and investors will be released to the ASX and then included on the Company's web-site.

Authorised Spokespersons

The Company's authorised spokesperson is the Chief Executive Officer, and in his absence, the Chairperson and Company Secretary, as appropriate. In appropriate circumstances, the Chief Executive Officer may from time to time authorise other spokespersons on particular issues and those within their area of expertise.

No employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.

Protocol in relation to the review and release of ASX Announcements

The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:

- (a) All key announcements at the discretion of the Chief Executive Officer are to be circulated to and reviewed by all members of the Board.
- (b) All members of the Board are required to seek to provide to the Chief Executive Officer (or in his/her absence, the Company Secretary) with verbal or written contribution of each key announcement, prior to its release.
- (c) Any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.
- (d) The Chief Executive Officer (and in his/her absence, the Chairperson) is to be given the final signoff before release to the ASX of the announcement.

Reporting of Disclosable Information

Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information to the ASX.

Information to be disclosed must be lodged immediately with the ASX. Any such information must not be released to the general public until the Company has received formal confirmation of lodgement by the ASX.

All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's web-site.

Market Speculation and Rumours

As a guiding principle, the Company has a "no comment" policy on market speculation and rumours, which must be observed by all employees. However, the Company will comply with any request by the ASX to comment upon a market report or rumour.

Trading Halts

The Company may, in exceptional circumstances, request a trading halt to maintain orderly trading in the Company's securities and to manage any disclosure issues.

No employee of the Company is authorised to seek a trading halt except for the disclosure officers.

Meetings and Group Briefings with Investors and Analysts

The Chief Executive Officer is primarily responsible for the Company's relationship with major shareholders, institutional investors and analysts and shall be the primary contacts for those parties.

Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are to be lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material is to be posted to the Company's web-site. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.

The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of proactive investor relations. However, the Company will only discuss previously disclosed information in such meetings.

Periods Prior to Release of Financial Results

During the time between the end of the financial year or half year and the actual results release, the Company will not discuss financial performance, broker estimates and forecasts and, particularly, any pre-result analysis with stockbroking analysts, investors or the media, unless the information to be discussed has already been disclosed to the ASX.

Web-based Communication

The Company's web-site features discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include:

- (a) annual reports and results announcements;
- (b) all other company announcements made to the ASX;
- (c) speeches and support material given at investor conferences or presentations;
- (d) company profile and company contact details; and
- (e) all written information provided to investors or stockbroking analysts.

Announcements lodged with the ASX will be placed on the Company's web-site as soon as practicable after ASX confirms receipt of that information.

Shareholders may be offered the option of receiving information via e-mail instead of post.

Analysts Reports and Forecasts

Stockbroking analysts frequently prepare reports on listed companies that typically detail their opinion on strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price, the Company's comments on analyst reports will be restricted to:

- (a) information the Company has issued publicly; and
- (b) other information that is in the public domain.

Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.

7. SHAREHOLDERS COMMUNICATION POLICY

The Company recognises the value of providing current and relevant information to its shareholders.

The Chief Executive Officer and Company Secretary have the primary responsibility for communication with shareholders.

Information is communicated to shareholders through:

- (a) continuous disclosure to relevant stock markets of all material information;
- (b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of exploration, production and corporate activities;
- (c) notices of meetings and explanatory material;
- (d) the Annual General Meeting;
- (e) periodic newsletters or letters from the Chairperson or Chief Executive Officer; and
- (f) the Company's web-site at www.kasbahresources.com.

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Electronic communication and web-site

The Company believes that communicating with shareholders by electronic means, particularly through its web-site, is an efficient way of distributing information in a timely and convenient manner.

The Company's web-site includes the following pages, which contain relevant information for shareholders:

- (a) a section for the Company's corporate governance policies and practices;
- (b) a reports section, which contains copies of annual, half yearly and quarterly reports;
- (c) news section, containing sections on newsletters, ASX announcements, media clippings and power point presentations;
- (d) press releases; and
- (e) research section, which contains broker research reports published on the Company.

As part of the Company's developing investor relations program, Shareholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

The Company's web-site will be updated with material released to the ASX as soon as practicable after confirmation of release by the ASX.

All web-site information will be continuously reviewed and updated to ensure that information is current, or appropriately dated and archived.

The Company places the full text of notices of meeting and explanatory material on the web-site.

Written Communication and Annual Report

The Company's annual report is the major written communication by the Company to shareholders each year. Shareholders are only provided with a copy of the annual report if they elect to receive one. The Company's annual report is also published on the Company's website for shareholders who have not elected to receive a hard copy.

Annual General Meeting

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means:

- (a) notices of meetings are distributed to shareholders in accordance with the provisions of the Corporations Act;
- (b) notices of meeting and other meeting material are drafted in concise and clear language;
- (c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies, if shareholders are unable to attend the meeting;
- (e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting; and
- (f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report.

8. RISK MANAGEMENT AND INTERNAL COMPLIANCE AND CONTROL

The Board determines the Company's risk profile based on recommendations from management. Management is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that is directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

Management is responsible for the ongoing management of risk with standing instructions to apprise the board of changing circumstances within the company and within the international business environment.

The Board will review assessments of the effectiveness of risk management and internal compliance and control at least annually.

The Company must disclose at least annually whether the Board (or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that it continues to be sound.

The Company will disclose if it has any material exposure to economic, environmental and/or social sustainability risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations) and, if it does, how it manages, or intends to manage, those risks.

9. REMUNERATION COMMITTEE CHARTER

Establishment of Committee

This charter sets out the basis on which the Board has established a Remuneration Committee pursuant to the Constitution.

Interpretation

Board:	means the Board of Directors of Kasbah Resources Limited.
Committee:	means the Remuneration Committee of the Board.
Company:	means Kasbah Resources Limited.
Constitution:	means the constitution of the Company.
Directors:	means the members of the Board.
Members:	means members of the Company.
Group:	means Kasbah Resources Limited and its subsidiaries.
Senior Executive Team:	means such members of the Senior Executive Team charged with the responsibilities with managing the day to day affairs of the company.
Stock Exchange or ASX:	means the Australian Securities Exchange Limited.

Objectives

The Remuneration Committee Charter sets out the role, composition, authority, responsibilities and operations of the Remuneration Committee. The Committee assists the Board in establishing remuneration policies and practices which:

- (a) enable the Group to attract and retain Executives and Directors (Executive and Non-executive) who will create sustainable value for members and other stakeholders;
- (b) fairly and responsibly reward Executives and Directors having regard to the performance of the Group, the performance of the executive and the external compensation environment;
- (c) demonstrate a clear relationship between the achievement of the Group's objectives and the Chief Executive Officer's and staff performance remuneration; and
- (d) comply with all relevant legislation and regulations including the ASX Listing Rules and Corporations Act.

Committee Membership

Structure

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

Expertise

At least one member of the Committee must have an understanding of remuneration policies and practices.

Company Secretary

The Company Secretary will act as Secretary to the Committee, unless otherwise determined by the Committee.

Proceedings

Frequency

- (a) The Committee will meet as often as it considers necessary but at least twice every year.
- (b) Any member may call a meeting of the Committee.

Notice

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the committee as far in advance as possible.

Supporting Papers

Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible and where possible by the last working day of the week preceding the meeting.

Attendance

- (a) Only members of the Committee are entitled to be present at the Committee meeting.
- (b) The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:
 - (i) external advisers;
 - (ii) any Executive or other employee including any Executive Director; or
 - (iii) any other Non-Executive Director,and may do so with or without Executive Management present.

Quorum

A quorum for a meeting of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in or exercisable by, the Committee.

Chair

- (a) In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.
- (b) The Chair of the Committee does not have a casting vote.

Constitution

Proceedings of the Committee will be governed by the provisions of the Constitutions, in so far as they may be applicable.

Minutes

Minutes of meetings of the Committee, signed by the Chairperson, will be distributed to members as soon as practicable following the meeting and tabled for discussion at the next Committee and/or Board meeting.

Authorities**Access**

The Committee has unrestricted access to Executive Management, all employees and all Company records and to financial and legal advisers.

Independent Advice

The Committee or any member of the Committee is authorised to obtain (at the cost of the Company) outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary for the proper performance of the Committee's functions under this Charter. The member should first contact the Chair of the Committee and the Secretary who will, if required by the Chairperson or by the member, assist in procuring that professional advice.

Duties and Responsibilities

Without limiting its role, the specific duties and responsibilities of the Committee include the following:

Executive Remuneration Policy

The Committee will:

- (a) review and recommend to the Board the remuneration of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary and any other direct report to the Chief Executive Officer (Senior Executive Team);
- (b) review the on-going appropriateness and relevance of the executive remuneration policy; and
- (c) ensure that all relevant legal requirements regarding disclosure of remuneration, in all forms, are complied with.

Executive Directors and Senior Management

The Committee will:

- (a) report to the Board regarding the remuneration for each Executive Director (including base pay, incentive payments, equity awards and retirement or severance rights), having regard to the executive remuneration policy and whether in respect of any elements of remuneration any shareholder approvals are required;
- (b) review the proposed remuneration (including incentive awards, equity awards and service contracts) for Senior Executive Team, to ensure that it is consistent with the executive remuneration policy;
- (c) review contractual rights of the Senior Executive Team on termination, and any payments made or proposed, to determine whether they are reasonable in the circumstances; and
- (d) review the depth of the Senior Executive Team and the appropriateness of succession planning policies which are in place.

Cash-Based Executive Incentive Plans

In so far as they impact on the Executive Directors and the Senior Executive Team, the Committee will:

- (a) review and approve the underlying principles of, and targets for, all such executive incentive plans; and
- (b) review and approve the total proposed payments from all such executive incentive plans.

Equity-Based Incentive Plans

The Committee will investigate and recommend:

- (a) the underlying principles of all equity-based plans for approval by the Board;
- (b) all equity based plans in light of legislative, regulatory, taxation and market developments;
- (c) for each equity-based plan, all awards which are proposed under that plan with a view to ensuring compliance with the rules of the relevant plan and the policies of the Committee and the Board in respect of that plan;
- (d) the total proposed awards under each plan;
- (e) the life of each grant of awards provided that the life of any such award must not exceed 5 years;
- (f) the conditions of grant applicable to each equity-based incentive plan;
- (g) amendments to the rules which are proposed for approval, as permitted under the rules of the plans; and
- (h) the proposed exercise of any discretion under a plan and make such determinations as required to be made under the rules of each plan.

Non-executive Directors' Remuneration

Shareholders approve the maximum aggregate remuneration for Non-executive Directors. The maximum aggregate remuneration approved for Directors is currently \$400,000, as approved by shareholders at a general meeting of the Company on 24 November 2011.

The allocation of aggregate remuneration for Non-executive Directors (whether it be for the entire maximum amount or for a lesser amount) will be determined and approved by the Board. When appropriate, any Director or Directors with an immediate conflict of interest will excuse themselves on discussion regarding their own remuneration. The Board may request that the Committee, management or external advisers provide any information required to assist the Board in making its decision.

Non-executive Directors are not permitted to be provided with retirement benefits other than statutory superannuation.

Reporting to the Board

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at its next meeting regarding all material matters relevant to the Committee's duties and responsibilities.

Review of this Charter

The Remuneration Committee Charter is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities with the Board approving the amended Charter.

10. NOMINATION COMMITTEE CHARTER

Functions and Responsibilities

The Nomination Committee is a committee that the Board may approve to be established at any time, if considered necessary.

Any such Nomination Committee (Committee) established will have as its principal functions:

- (a) to review the composition of the Board and ensure that the Board has an appropriate mix of skills, diversity and experience to properly fulfil its responsibilities; and
- (b) to ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

Composition

The Committee shall comprise at least three Directors, the majority of whom must be Non-executive Directors and one of whom must be the Chairperson of the Board. The Chairperson of the Board will be appointed as the Committee Chairperson. The Board may appoint additional Non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

The Company Secretary shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

Meetings

The Committee will meet at least once a year and additionally as circumstances may require. Meetings are called by the Secretary as directed by the Board or at the request of the Chairperson of the Committee.

Where deemed appropriate by the Chairperson of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or teleconference call.

A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairperson or appointed delegate, the members shall elect one of their number as Chairperson.

Decisions will be based on a majority of votes with the Chairperson having a casting vote.

The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

Access

Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

The Committee may consult independent experts where the Committee considers this necessary to carry out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

Responsibilities

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience, and after assessment, determine how the candidates can contribute to the strategic direction of the Company;
- (b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (c) assess and consider the time required to be committed by a non-executive director to properly fulfil their duty to the Company and advise the Board.
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (e) review directorships in other public companies held by or offered to directors and senior executives of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) make recommendations to the Board on the appropriate size and composition of the Board; and
- (h) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from the Board.

11. DIVERSITY POLICY

Introduction

Kasbah Resources Limited (Company) is committed to workplace diversity. The Company recognises the benefits arising from employee and board diversity, including a broad pool of high quality employees, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (ASX Principles)*.

Objectives

The Diversity Policy provides a framework for the Company to achieve:

- (a) a diverse and skilled workforce, with the aim of leading to continuous improvement and achievement of corporate goals;
- (b) a workplace culture characterised by inclusive practices and behaviours;
- (c) equal employment and career development opportunities for all staff, regardless of gender, sexual preference or cultural background; and
- (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(collectively, the "Objectives").

The Diversity Policy does not impose on the Company, its Directors, officers, agents or employees any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction. In particular, the Diversity Policy does not detract from the duties of the directors and officers of the Company to exercise their powers and discharge their duties in good faith in the best interests of the Company.

Responsibilities

As the Company progresses through its stages of development, the Board is responsible for the application of measurable objectives and strategies to meet the objectives of the Diversity Policy (measurable objectives). If or when measurable objectives are implemented the monitoring of the progress of measurable objectives will be through the monitoring, evaluation and reporting mechanisms listed below.

Monitoring and Evaluation

The Board, with the assistance of the Company Secretary, will monitor the scope and currency of this policy.

Reporting

The Company will disclose, for each financial year:

- (a) any measurable Objectives set by the Board (once adopted);
- (b) progress against these measurable Objectives (once adopted; and
- (c) either:
 - (i) the respective proportions of men and women on the Board, in senior executive positions (including how the Company has defined “senior executive” for these purposes) and across the whole Company; or
 - (ii) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act.

12. ANNEXURE A – DEFINITION OF INDEPENDENCE

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services or a material consultant to the Company or any of its child entities;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or its child entities other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.