

BBX MINERALS LTD

BOARD CHARTER

BOARD CHARTER

PURPOSE

The Board Charter summarises the roles and responsibility of the BBX Minerals Limited Board.

The Board's roles and responsibilities will evolve as the Company moves forward. A regular review of the balance of responsibilities will ensure that the division of the functions remains appropriate to the needs of the Company.

The Board

Composition

The Board of Directors seeks to achieve an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to represent Shareholders and protect the interests of the Company.

Currently, the Board comprises four directors with a range of expertise from industry together with technical experience, finance, accounting, corporate and human resources skills.

The details of all Directors in office at the time of preparing the Charter are detailed below:

Director	Position on the Board	Term in Office	Non-Executive	Independent	Qualifications
Michael SCHMULIAN	Non-Executive Chairman	12 April 2011	Yes	Yes	Bachelor of Science (Hons) Master of Science Fellow of AusIMM
André DOUCHANE	Chief Executive Officer	20 October 2019	No	No	Bachelor of Mining Engineering Graduate of Executive Business Program (Kellogg School of Business)
Jeffrey MCKENZIE	Executive Director	26 October 2016	No	No	-
William DIX	Non-Executive Director	10 October 2012	Yes	Yes	Bachelor of Science Master of Science (Geology) Member of AusIMM

Please refer to Annexure A on pages 8 and 9 for the Board skills matrix.

Board Role and Responsibilities

The primary role of the BBX Minerals Limited Board is to oversee and manage the Company's business activities for the benefit of all stakeholders. This includes considering the following key factors when the Board makes decisions – the creation of shareholder value, promoting Company growth and wellbeing, ensuring employee and community wellbeing and safety, environmental compliance and safety.

The key responsibilities of the Board include:

- Approving the Company's strategy, business plans and policies.
- Monitoring the Group's strategic direction and portfolio of activities, and the associated risks.
- Reviewing, approving, and monitoring the Group's risk management systems, including internal compliance and control mechanisms.

- Approving the annual report and financial statements (including the directors' report and remuneration report) and any other published reporting, upon recommendation from the Audit and Risk Committee, and in accordance with the Constitution, Corporations Act, ASX Listing Rules and any other applicable regulations.
- Approving and monitoring the progress of major capital expenditure, capital management and capital raising initiatives, and acquisitions and divestments.
- Overseeing the Company's accounting and corporate reporting systems and appointing, re-appointing, or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit and Risk Committee.
- Approving and monitoring the effectiveness of the Company's system of corporate governance, including formation of Board committees and the terms of applicable governing charters.
- Approving the Company's Code of Conduct, Disclosure Policy and other Group level policies, and monitoring their effectiveness.
- Approving the overall remuneration policy, including non-executive director remuneration, executive director, and senior executive remuneration; and any executive incentive plans, upon recommendation from the Remuneration Committee.
- Determining the size, composition and structure of the Board, and the process for evaluating its performance.
- Appointing and removing the Group CEO and approving the remuneration of and overseeing the performance review of the CEO.
- Approving and reviewing succession plans for the CEO.
- Reviewing annually the Company's diversity initiatives and progress towards their achievement.
- Monitoring the Company's performance in delivering its strategic plans.
- Approving and monitoring the systems and policies to ensure integrity of budgets, financial statements and other reporting.
- Overseeing and approving strategies for the Company to maintain a strong balance sheet and sound credit rating over time.
- Overseeing the management of the Group's interactions and communications with shareholders and the broader community; and
- Reviewing the division of functions and responsibilities between the Board, CEO and Management

Individual Roles

The Chair

The Chair's primary roles are to chair meetings of the Board and to manage the affairs of the Board, including ensuring the Board is organised properly, functions effectively and meets its obligations and its primary responsibilities. The Chair ensures effective relations are managed and maintained.

The role of the Chair is not to be underestimated, so much so, the appointment is detailed in the Company's Constitution.

The Chair should be a non-executive director who satisfies the Company's criteria for independence. If at any stage the Chair elected is not strictly independent, the Company will elect an independent non-executive director as Deputy Chair to ensure no conflict of interest.

The appointment of the Chair shall be formally reviewed at the end of each two (2) year period.

The following activities fall within the ambit of the Chair's responsibilities:

- Maintain effective communication between the Board and management.
- Ensure the efficient organisation and conduct of the Board's function.
- Brief all directors in relation to issues arising at Board meetings.
- Chair general meetings of the Company; and

- Exercise such specific and express powers as are delegated to the Chair by the Board from time to time.

CEO

The running of the day-to-day affairs of the Company under delegated authority of the Board is the responsibility of the CEO.

The following activities fall within the ambit of the CEO's responsibilities:

- Manage and administer the day-to-day operations of the Company and its businesses in accordance with the strategy, business plans and policies approved by the Board.
- Develop strategies for the Company, its businesses and management, and make recommendations to the Board on such strategies.
- Develop the annual budget and conduct the activities within the approved annual budget.
- Develop strategies for the Company to maintain a strong balance sheet and sound credit rating over time.
- Develop and maintain the Company's risk management systems, including internal compliance and control mechanisms.
- Ensure compliance with the Company's continuous disclosure obligations, in accordance with the role and responsibilities delegated under the Disclosure Policy.
- Assign responsibilities clearly to staff (when applicable), creditors, suppliers and external service providers and report on their performance to the Board.
- Recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds.
- Report regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively.
- Exercise such additional powers as are delegated to the CEO by the Board from time to time; and
- Support a culture within the Group that promotes ethical and responsible behaviour

Delegated Responsibility

The Board ensures that all staff are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to ensure that this is achieved.

There is a clear division between the roles and responsibilities of the Board and CEO.

Performance Evaluation

Annual assessment of the Board in terms of effectiveness and individual Director contribution is a key to improving governance.

The Nomination, Remuneration and Diversity Committee conduct an annual performance review of the Board which includes reviewing the performance of the Board with the requirements of the Board Charter, review the skills mix and making required recommendations.

In the absence of the Nomination, Remuneration and Diversity Committee, the full Board will attend to the annual performance evaluation assessment.

Board

On an annual basis the Board will evaluate and review:

- a) the performance of the Board against the requirements of the Board Charter.
- b) the mix of skills and experience of the Board.
- c) the performance of the Board's Committees; and
- d) the Board Charter to ensure it remains relevant to the Company's activities.

The method and scope of the performance evaluation will be set by the Board and may be formal or informal in nature.

Directors

The Chair is responsible for the performance appraisal of directors and will amongst other things evaluate and review individual directors':

- a) contribution to the Board.
- b) availability for and attendance at Board meetings and other events.
- c) contribution to Company strategy; and
- d) knowledge of the Company's operations

In the case of the CEO, in addition to the criteria stated above, compliance with legal and Company policy requirements will also be assessed as well as achievement of key operational goals and strategic objectives.

Executives

The CEO is responsible for the performance appraisal of Executives and will amongst other things evaluate and review individual executives':

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

As part of the performance evaluation process, all Directors will discuss whether the need exists for further professional development to be undertaken to maintain the skills and knowledge needed to perform their respective roles effectively.

Membership and Term

Membership

The number of Directors on the Board shall be determined in accordance with the Constitution which states the minimum number shall not be less than three and no more than nine.

The Board shall consist of a majority of non-executive directors who satisfy the criteria for independence as defined *below* and at least one director with appropriate technical and commercial skills relevant to the finance / banking industry.

The Nomination Committee is responsible for reviewing Board composition, skills and competencies and making recommendations to the Board about appointments and re-elections. Ideally, the Nomination Committee looks to appoint individuals to Director roles who will provide a mix of characteristics, experiences, competencies and skills which will be appropriate for the Company.

If no Nomination Committee exists during any one financial year, the Board as a whole shall make the final recommendation on the selection and appointment of a new Director.

Appropriate background checks are to be completed before a Director and/or Senior Executive is appointed. including the person's character, experience, education, criminal record and bankruptcy history.

A candidate for appointment or election as a non-executive director should also provide details of his or her commitments and an indication of time involved and should specifically acknowledge that they will have sufficient time to fulfill their responsibilities as a director.

New Directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment.

New Directors participate in an induction program and have access to appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their roles effectively and form them to gain an understanding of:

- The Company's financial, strategic, operational and risk management position.
- The Company's financial statements including developments in accounting standards.
- Their rights, duties and responsibilities; and
- The role of Board committees.

Term

The Board has not adopted a tenure policy. Long serving Directors contribute significantly due to their insight they have gained about the Company and operations. Where a Non-Executive Director has served for more than 10 years, their length of service will be a factor in assessing their re-election to the Board in terms of continuing independence.

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

Before a Director is nominated for re-election, the Chair shall consult with the Board and review the Director's performance before endorsing re-election.

The Company will provide shareholders with all material information in its possession relevant to a decision on the election or re-election of a director.

Independence

An independent Director is a non-executive Director who can bring independent judgement to issues before the Board which ultimately means they act in the best interests of the Company and:

- Is able to hold securities in the Company but only to the extent of a 5% voting power. Once voting power exceeds 5% of the total Shares on issue; the director becomes a substantial shareholder and is no longer independent. This also extends to an officer of, or otherwise associated directly with, a substantial shareholder of the Company.

A Director's independence may be impacted if they receive performance-based remuneration (including options or performance rights) from or participate in an employee incentive scheme of, the Company.

- Within the last three years has not been employed in an executive capacity by the Company or its subsidiaries or been a Director after ceasing to hold any such employment.
- Within the last three years has not been in a material business relationship as a professional adviser or consultant to the Company or is an officer of, or otherwise associated with, someone with such a relationship.
- Is not an officer or employee of a professional adviser to the Company or its subsidiaries whose billings exceed 5% of the adviser's total revenue. A Director who is a principal or employee of a professional adviser will not participate in the provision of any service to the Company by the professional adviser.
- Is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier is defined as one whose revenues from the Company exceed 5% of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceed 5% of the customer's total operating costs.
- Does not have close personal ties with any person who falls within any of the categories described above.

- Has no material contractual relationship with the Company or its subsidiaries other than as a Director of the Company.
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Directors' Shareholding

It is understood by all Company Directors the obligation to disclose publicly details of their shareholdings and all changes to their holdings.

The Directors also understand the strict timing around the disclosure requirements of their shareholdings.

All Directors are subject to the regulations and obligations of the Company's Share Dealing Policy, including obtaining the Chair's approval prior to any share transactions. The Chair will liaise with the other directors prior to approving any transaction.

Access to Independent Advice

The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.

A copy of any such advice received is to be made available to all members of the Board.

Individual directors who wish to obtain independent professional advice should seek the approval of the Chair, who will inform the other directors as required, and will be entitled to reimbursement of all reasonable costs in obtaining such advice.

The Chair may obtain independent professional advice, up to an agreed limit of \$10,000, before seeking approval from the other directors.

Confidentiality

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or as required by law.

Company Secretary

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

The primary role of the Company Secretary is to manage through facilitating and monitoring the Company's governance framework together with Board policies and procedures.

The responsibilities of the Company Secretary include:

- advising the Board and Committees on governance matters.
- implementing Board and Committee governance policies and procedures
- coordinating the timely completion and dispatch of Board and Committee papers.
- ensuring that the business at Board and Committee meetings is accurately captured in the Minutes.
- helping to organise and facilitate the induction and professional development of directors.
- ensuring the Company complies with all applicable laws and regulations, including the ASX listing rule disclosures; and
- facilitating the flow of information of the Board between the Board, Committees and Directors

Every Director can communicate directly with the Company Secretary and vice versa.

The Company Secretary is appointed and removed by the Board as a collective decision.

Foreign Directors

Should there be Directors on the Board who do not speak the language in which Shareholder meetings are held and cannot comprehend the written language of key Company documents; the Company is obligated to ensure such documents are translated into the said Director's native language and a translator is present at all Board and Shareholder meetings.

Key Company documents include the Constitution, prospectuses, annual and interim financial reports, notice of meetings, results of meeting and other continuous disclosure documents.

Review of Charter

The Board will review the Charter to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Board.

Change History

Date	Change Reason
June 2020	Revised

Annexure A - Board Skills Matrix

- Skill Rating
 - Essential - 2 of Board members should have these skills
 - Desirable - at least 1 Board member has this skill
 - Beneficial - the Boards performance would be enhanced however the skills can be provided by consultants as required.

Skill area	Description	Assessment (Skills are described as Essential, Desirable or Beneficial.)	Director(s) with this skill
Strategy and policy development	<p>Ability to think strategically, identify and critically assess strategic opportunities and threats to the Company and develop strategies in response.</p> <p>Ability to identify key issues for the Company and develop appropriate policy parameters within which the Company should operate.</p>	<p>Essential</p> <p>The ability of the board to think and act strategically is essential.</p> <p>It is highly beneficial to have strategic and visioning input from directors with strong commercial experience.</p>	<p>Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix</p> <ul style="list-style-type: none"> • These directors have corporate finance, executive, management skills and industry knowledge. • Skill area to be enhanced with consultants as required.
Financial	<p>Ability to analyse key financial statements, critically assess the Company's financial performance, and contribute to strategic financial planning.</p>	<p>Essential</p> <p>This is considered an essential skill for the board.</p>	<p>Andre Douchane, Jeffrey McKenzie and Will Dix.</p> <p>These directors have a proven financial record.</p>
Corporate finance and capital investment	<p>Experience in assessing capital projects, investments and merger and acquisition opportunities, and their financing and performance.</p>	<p>Desirable</p> <p>Given the importance of being able to raise capital to grow operations, it is important the board includes directors with corporate finance qualifications and experience.</p>	<p>Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix</p> <ul style="list-style-type: none"> • These directors have strong commercial experience working with projects involving medium scale capital input and long-term investment view. • Messrs Schmulian, Douchane and Dix have strong experience assessing the viability of tenement areas and new projects. • Skill area to be enhanced with consultants as required.

Skill area	Description	Assessment (Skills are described as Essential, Desirable or Beneficial.)	Director(s) with this skill
Risk management	Ability to identify key risks to the Company in a wide range of areas (including cash resources, exploration, governance, information technology, reputation, capital investment, OH&S), and monitor risk management frameworks and systems.	<p>Essential</p> <p>The ability to identify and oversee risk management in the Company is essential.</p> <p>The board's skills in this regard should be augmented as a matter of priority.</p>	<p>Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix:</p> <ul style="list-style-type: none"> • These directors have a proven track record in developing assets or business portfolios over the long term that remains resilient to systemic risk; • Can probe and challenge management on the delivery of agreed strategic planning objectives and assessing threats to the Company; • Can identify key risks to the Company related to each key area of operations; and • Ability to monitor risk and compliance and knowledge of legal and regulatory requirements.
Legal compliance	Knowledge of relevant laws and regulatory frameworks, and an ability to identify and oversee the Company's management of its legal and contractual obligations and compliance management.	<p>Beneficial</p> <p>The Company has no in-house counsel capabilities, this increases the need for legal advice to the board.</p> <p>Legal advice on specific issues and projects can be provided from within the board.</p>	<p>Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix have general legal knowledge on Company issues and projects but no specific, targeted knowledge for the Company to fully rely on</p> <p>Current relationships with Steinepreis Paganin and FFA Legal in Brazil provide advice and counsel when required.</p>
Corporate governance	Understanding and experience in best practice corporate governance particularly as it relates to an exploration and mining company and an ability to apply that to continually improve the Company's corporate governance.	<p>Essential</p> <p>It is essential majority directors have a very sound understanding of governance and the role and responsibilities of the board collectively and directors individually.</p>	<p>Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix.</p> <p>These directors have board and governance experience gained in small to medium-size corporate organisations.</p> <ul style="list-style-type: none"> • Expertise in specialist areas is desirable – Jeffrey McKenzie's specialised areas are finance, accounting and capital markets and Messrs Schmulian, Douchane and Dix have specialised industry experience in exploration, mining, production and geology • Skill area to be enhanced with consultants as required.

Skill area	Description	Assessment (Skills are described as Essential, Desirable or Beneficial.)	Director(s) with this skill
Executive Management	Experience at an executive level including the ability to appoint and evaluate the CEO and oversee strategic, human resource management together with industry knowledge	Experience in evaluating performance of senior management and oversee strategic, human capital planning, and organisational change management programs together with industry knowledge.	<p>Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix.</p> <p>Strategic human resource management experience including change management and corporate finance skills brings this skill set to the board.</p> <p>Messers McKenzie, Douchane, and Dix have this experience.</p> <p>A director with industry experience might also bring this skill set to the board. Messrs Schmulian, Douchane and Dix have this experience.</p> <p>Furthermore, Messrs Schmulian, Douchane McKenzie and Dix have all held executive positions with small, medium and large organisations.</p>
Exploration experience	Broad range of experience in exploration, mining, production, metallurgy, processing and environmental	<p>Desirable</p> <p>Experience combined with an understanding of the corporate purpose to create long term, shareholder value through the discovery, acquisition, development and marketing of natural resources.</p>	Adequately covered by Messrs Schmulian, Douchane and Dix with a wealth of geology, exploration, mining and production experience and knowledge.
Positioning and crisis management	Ability to contribute to the positioning of the Company to assist in high-level communications and crisis management.	<p>Desirable</p> <p>It is advantageous for the board to be able to constructively manage crisis and provide leadership around solutions.</p>	Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix.

Skill area	Description	Assessment (Skills are described as Essential, Desirable or Beneficial.)	Director(s) with this skill
Representation and shareholder relations	Ability to effectively represent the Company and build constructive relationships with identified shareholders for the overall benefit of the Company.	Desirable It is highly desirable that all directors are apt at performing representative and shareholder liaison functions.	Adequately covered by Michael Schmulian, Andre Douchane, Jeffrey McKenzie and Will Dix. The Chairman has a strong understanding of the political environment in which the Company conducts its operations. Messrs McKenzie and Dix have good links with shareholder networks. Succession needs to be considered when selecting new Board members.
Remuneration	Remuneration Committee membership or management experience in relation to remuneration, including incentive program, superannuation and the legislation and contractual framework governing remuneration	Desirable It is considered essential majority of directors understand the sensitivity of remuneration levels.	Adequately covered by Andre Douchane, Jeffrey McKenzie and Will Dix who have had past experience in this area.

PERSONAL ATTRIBUTES

All directors are required to have the following attributes.

Attribute	Description
Integrity (ethics)	A commitment to: <ul style="list-style-type: none"> • understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge in this regard through professional development • putting the Company's interests before any personal interests • being transparent and declaring any activities or conduct that might be a potential conflict • maintaining board confidentiality.
Effective listener and communicator	The ability to: <ul style="list-style-type: none"> • listen to, and constructively and appropriately debate, other people's viewpoints • develop and deliver cogent arguments • communicate effectively with a broad range of shareholders.

Attribute	Description
Constructive questioner	The preparedness to ask questions and challenge management and peer directors in a constructive and appropriate way.
Contributor and team player	The ability to work as part of a team and demonstrate the willingness and time to make a genuine and active contribution to the board and the Company.
Commitment	A visible commitment to the purpose for which the Company has been established and operates, and its on-going success.
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain shareholder support for the board's decisions.
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily di-still key issues, and develops innovative approaches and solutions to problems.
Leader	Innate leadership skills including the ability to: <ul style="list-style-type: none"> • appropriately represent the Company • set appropriate board and Company culture • make and take responsibility for decisions and actions.

NB: The Chairperson should also have the personal attributes to effectively undertake usual Chairperson functions such as: chairing board meetings; developing a constructive relationship with management; successfully managing board succession planning and board performance and representing/being a spokesperson.

DEMOGRAPHIC & NON-SKILLS BASED CRITERIA

Criteria	Assessment	Priorities
Gender	There is currently no female director on the board. A better-balanced gender representation should be sought for the board. The next selection process provides an opportunity to enhance gender diversity on the board.	All appointments are to be made on merit rather than gender but the candidate pool should seek to include appropriately qualified female candidates.
Geographical context	Directors are not required to represent specific regions. It is desirable that directors understand the challenges faced in regional Brazil.	
Age	A satisfactory diversity of age in the members of the board should always be maintained.	
Board experience	As a group, the current board has strong board experience. Given the size of the Company and the environment in which it is operating, it is considered the current directors have the appropriate and required skills to make a positive impact on Company operations.	

