

STATEMENT OF BOARD AND MANAGEMENT FUNCTIONS

1. Role of The Board

The role of the Board is to provide leadership for and supervision over the Company's affairs.

2. Responsibility of The Board

The Board is collectively responsible for promoting the success of the Company by:

- (a) supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed which includes but is not limited to (a) to (i);
- (b) ensuring the Company is properly managed for example by:
 - (i) appointing and removing the management services company;
 - (ii) ratifying the appointment and, where appropriate, the removal of the chief financial officer and/or the Company secretary;
 - (iii) input into and final approval of management's development of corporate strategy and performance objectives;
 - (iv) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
 - (v) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (c) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- (d) approval of the annual budget;
- (e) monitoring the financial performance of the Company;
- (f) approving and monitoring financial and other reporting;
- (g) overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- (h) liaising with the Company's external auditors; and
- (i) monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may from time to time, delegate some of its responsibilities listed above to its management services company (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold as defined below).

3. Materiality Threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

(j) Materiality – Quantitative

Balance sheet items

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

(k) Materiality – Qualitative

Items are also material if:

- (i) they impact on the reputation of the Company;
- (ii) they involve a breach of legislation;
- (iii) they are outside the ordinary course of business;
- (iv) they could affect the Company's rights to its assets;
- (v) if accumulated they would trigger the quantitative tests; or
- (vi) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items.
- (vii) They will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

(l) Material Contracts

Contracts will be considered material if:

- (i) they are outside the ordinary course of business;

- (ii) they contain exceptionally onerous provisions in the opinion of the Board;
- (iii) they impact on income or distribution in excess of the quantitative tests
- (iv) there is a likelihood that either party will default and the default may trigger any of the quantitative tests;
- (v) they are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost of such a quantum as trigger any of the quantitative tests;
- (vi) they contain or trigger change of control provisions;
- (vii) they are between or for the benefit of related parties; or
- (viii) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("**Materiality Threshold**").

4. The Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairperson is also responsible for shareholder communication and arranging Board performance evaluation.

5. Independent Directors

Where the chairperson is not an independent director, the Company will appoint a lead independent director. The lead independent director will takeover the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for the reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

6. The Executive

For the time being, the Company does not have either a managing director or chief executive officer.

The Executive comprises the company secretary and an executive director. Management services are provided to the Company pursuant to a management agreement between the Company and a management services company.

7. Role and Responsibility of Management

The role of management is to support the Executive and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Executive or if the matter concerns the Executive then directly to the chairperson or the lead independent director, as appropriate.

In the case of this Company, the management comprises employees of the management services company referred to in section 6 above.

NOMINATION COMMITTEE CHARTER

1. Composition

The full Board carries out the functions of a nomination committee in accordance with the Nomination Committee Charter.

2. Role

The role of the Nomination Committee is to determine the state of director nominees for election to the Board, to identify and recommend candidates to fill casual vacancies.

3. Operations

The committee meets at least twice a year and otherwise as required. Minutes of all meetings of the committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board of directors. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

4. Responsibilities

The responsibilities of the Nomination Committee are:

- to implement processes to assess the necessary and desirable competencies of Board members including, experience, expertise, skills and performance of the Board and its committees;
- to provide new directors with an induction to the Company;
- to provide all directors with access to ongoing education relevant to their position in the Company;
- advise the Board on new appointments and assist with selection of new Board members;
- provide a succession plan for directors and managing director;
- evaluate and advise the Board on the performance of the executive;

- review time required for non-executive directors to perform their duties;
- annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of shareholders;
- annually present to the Board a list of individuals recommended for nomination for election to the Board at the annual meeting of shareholders;
- before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors;
- assist in identifying, interviewing and recruiting candidates for the Board;
- annually review the composition of each committee and present recommendations for committee memberships to the Board as needed;
- periodically review the compensation paid to non-employee directors for annual retainers (including Board and committee chairs) and meeting fees, if any, and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as such.

POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

CODE OF CONDUCT FOR DIRECTORS AND KEY EXECUTIVES

A code of conduct has been adopted by all directors and employees. It requires all business affairs to be conducted legally, ethically and with integrity. The code provides for reporting of breach of the code by others.

POLICY ON SECURITIES TRADING

The Board has adopted a policy and procedure on dealing in the company's securities by directors, officer and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also requires the Company Secretary to be notified when trading of securities in the Company occurs.

AUDIT COMMITTEE CHARTER

1. Composition of the Audit Committee

- The full Board carries out the functions of an audit committee in accordance with the Audit Committee Charter.
- At least one member to have significant, recent and relevant financial experience.

2. Role of the Audit Committee

- To monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- To review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- To monitor and review the effectiveness of the Company's internal audit function;
- To make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- To monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements; and
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

3. Operations

- The committee meets at least once every quarter, with further meetings on an as required basis.
- Minutes of all meetings of the committee are to be kept and the minutes and a report of actions taken to be given at each subsequent meeting of the full Board of directors.
- Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.

4. Resources

- The Company to provide the committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company and such other relevant materials requested by the committee.

5. Reporting to the Shareholders

- The directors' report to contain a separate section that describes the role of the committee and what action it has taken.
- The chairperson of the audit committee to be present at the AGM to answer questions, through the chairperson of the Board.

POLICY AND PROCEDURE FOR SELECTION OF EXTERNAL AUDITOR AND ROTATION OF AUDIT ENGAGEMENT PARTNERS

1. Responsibility

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company.

2. Selection Criteria

Mandatory criteria

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further the successful candidate must have arrangement in place for the rotation of the audit engagement partner on a regular basis.

Other criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

3. Review

The Board will review the performance of the external auditor on an annual basis.

POLICY AND PROCEDURES FOR COMPLIANCE WITH CONTINUOUS DISCLOSURE REQUIREMENTS

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It appoints an officer of the Company to be responsible for compliance. It is detailed in its application covering the following areas:

- appointment of the responsible officer and description of his/her duties
- identifies area of risk for the Company
- provides guidelines for:
 - identifying disclosure material
 - monitoring share price movements
- guide for use of trading halts
- guide for decision making process

- details on record keeping
- education of Board and management
- confidentiality
- release of disclosure material
- updating of compliance procedures

ARRANGEMENTS REGARDING COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS

The Company maintains a website at www.goldendeeps.com .

Under the heading "Investors" the company makes the following information available on a regular and up to date basis:

- company announcements (for last 3 years);
- information briefings to media & analysts (for last 3 years);
- notices of meetings and explanatory materials;
- financial information (for last 3 years);
- annual reports (for last 3 years);

If you are a shareholder and wish to receive copies of information updates by email please send an email to ged@goldendeeps.com to register for the email information update.

COMPANY'S RISK MANAGEMENT POLICY AND INTERNAL COMPLIANCE AND CONTROL SYSTEM

The Company has developed a framework for a risk management policy and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. It appoints the Executive as being responsible for ensuring the systems are maintained and complied with.

PROCESS FOR PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES, INDIVIDUAL DIRECTORS AND KEY EXECUTIVES

The Chairperson is responsible for conducting an annual review of Board performance.

REMUNERATION COMMITTEE CHARTER

1. Composition

The full Board carries out the functions of a remuneration committee in accordance with the Remuneration Committee Charter.

2. Role

The Remuneration Committee's role is to discharge the Board's responsibilities in relation to remuneration of the Company's executives including share and benefit plans.

3. Operations

The committee meets at least twice a year and otherwise as required. Minutes of all meetings of the committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board of directors. Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

4. Responsibilities

The responsibilities and functions of the Remuneration Committee are as follows:

- review the competitiveness of the Company's executive compensation programs to ensure:
 - (a) the attraction and retention of corporate officers;
 - (b) the motivation of corporate officers to achieve the Company's business objectives; and
- (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders;
 - review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans;
 - review the performance of executive management;
 - review and approve Chairperson and Executive goals and objectives, evaluate Chairperson and managing director performance in light of these corporate objectives, and set Chairperson and managing director compensation levels consistent with company philosophy;
 - approve the salaries, bonus and other compensation for all senior executives, the committee will recommend appropriate salary, bonus and other compensation to the Board for approval;
 - review and approve compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
 - review and approve the awards made under any executive officer bonus plan, and provide an appropriate report to the Board;
 - review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board

as the “Committee” established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the committee under those plans, including making and authorising grants, in accordance with the terms of those plans; and

- review periodic reports from management on matters relating to the Company’s personnel appointments and practices.

CORPORATE CODE OF CONDUCT

1. Introduction

This code of conduct sets out the standard which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

2. Commitment of the Board and Management to Corporate Code of Conduct

The Board and management approve and endorse this code of conduct and support the code and all it strives to achieve.

The Board and management encourage all staff to consider the principles of the code and use them as a guide to determining how to respond when acting on behalf of the Company.

3. Responsibilities to Shareholders and the Financial Community Generally

The Company aims:

- (a) to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company’s shareholders and the financial community; and
- (b) comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

4. Responsibilities to Clients, Customers and Consumers

The Company is to comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage. Any transgression from the applicable legal rules is to be reported to the Executive as soon as a person becomes aware of such a transgression.

5. Employment Practices

The Company will employ the best available staff with skills required to carry out vacant positions.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

6. Responsibility to the Community

The Company will recognise, consider and respect environmental issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

7. Responsibility to the Individual

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

8. Obligations Relative to Fair Trading and Dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

9. Conflicts of Interest

The Board, management and employees must not involve themselves in situations where there is a real or apparent conflict interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises the matter should be brought to the attention of the Chairperson in the case of a board member or the independent director, the Executive in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

10. Compliance with the Code

Any breach of compliance with this code is to be reported directly to the chairperson, as appropriate.

11. Periodic Review of Code

The Company will monitor compliance with the code periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from the code and any other ideas or suggestions for improvement of the code. Suggestions for improvements or amendments to the code can be made at any time by providing a written note to the chairperson.

12. Incorporation of Code of Conduct for Executives

The Code of Conduct for Executives forms part of this Corporate Code of Conduct. It provides as follows:

All Executives will:

1. Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company.

2. Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company.
3. Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.
4. Deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.
5. Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.
6. Report any breach of this code of conduct to the chairperson, who will treat reports made in good faith of such violations with respect and in confidence.

This Code of Conduct is in addition to the Corporate Code of Conduct which has been adopted by the Board of the Company.