

The Board of Directors of Eclipse Metals Limited (**Company**) has approved the following charter formalising the functions and responsibilities of the Board (**Charter**).

1. Objective

The Board has the following overall responsibilities:

- guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable;
- the overall operation and stewardship of the Company and each of its subsidiaries;
- in conjunction with management, establishing the direction, strategies and financial objectives for the Company;
- monitoring the implementation of those policies, strategies and financial objectives;
- reviewing, approving and monitoring the Company's risk management systems, including internal compliance and control mechanisms;
- approving and monitoring the progress of major capital expenditure, capital management and capital raising initiatives, acquisitions and divestments;
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards;
- approving the overall remuneration policy, including non-executive and executive director remuneration and any incentive plans,
- determining the size, composition and structure of the Board and the process for evaluating performance;
- appointing and removing the Executive Director and Company Secretary, approving his/her remuneration and overseeing the performance review of the Executive Director;
- reviewing annually the Company's diversity initiatives and progress towards their achievement;
- overseeing and approving strategies for the Company to maintain a strong balance sheet and sound credit rating over time;
- overseeing the management of the Company's interactions and communications with shareholders and the broader community; and
- reviewing the division of functions and responsibilities between the Board, executive Director and Management

The Board is committed to protecting and enhancing shareholder values by ensuring that the Company is properly managed and conducting the Company's business ethically and in accordance with the highest standards of corporate governance.

The objective of the Board is to provide an acceptable rate of return to the Company's shareholders and take into account the interests of its employees, customers, suppliers, lenders and the wider community. Each of the Directors, when representing the Company, must act in the best interest of shareholders of the Company and in the best interests of the Company as a whole.

In carrying out the responsibilities and powers set out in this Board Charter, the Board:

- recognises its overriding responsibilities to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- recognises its duties and responsibilities to its employees, customers and the community.

In addition to the matters it is expressly required by law to approve, the specific responsibilities of the Board are outlined in the "Matters Reserved for the Board Policy".

2. Composition of the Board

The Board must be structured as such to ensure the appropriate mix of skills, knowledge, experience, diversity and expertise is present to facilitate successful strategic direction as well as guiding and monitoring the management of the Company.

The number of Directors that make up the Board shall be determined in accordance with the Constitution and the requirements of the Corporation Act but in any event will be a minimum of three (3) but will not exceed a maximum of nine (9) Directors.

In the absence of a Remuneration and Nomination Committee, the Board will review the composition, skills and experience when making recommendations in relation to Board appointments and re-elections.

The qualities that will be looked for in new Director candidates is their ability 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.

Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination and Remuneration Committee to ensure that they continue to contribute effectively to the Board.

The majority of the Board will be Non-Executive Directors and where practical, at least two (2) of the Directors being independent, as defined below.

Additionally, at least one (1) one Director should have the appropriate technical and commercial skills relevant to the mining, geology and exploration industry.

Independence

An independent Director is one who is independent of management (i.e. is a non-executive director) and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement.

The ASX Corporate Governance Principle and Recommendations guidance on relationships affecting the independent status of a Director provides that an independent Director is a non-executive Director (i.e. is not a member of management) who:

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- is not a substantial shareholder of the Company (as defined in section 9 of the Corporations Act);
- within the last 3 years has not been employed in an executive capacity by the Company;
- within the last 3 years has not been a material professional adviser or material consultant to the Company;
- is not a material supplier or customer of the Company;
- has no material contractual relationship with the Company 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.

The assessment of whether a Director is considered independent (both from the perspective of the Company and the Director) is based on the following materiality thresholds:

- payments made by the Company to the Director or any of his associated entities for the provision of goods and/or services does not exceed 10% of the annual gross expenditure of the Company; or
- payments received by the Director for the provision of goods and/or services to the Company does not exceed 25% of the annual income or business turnover of the Director or his associated entities.

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 as this allows the Board to determine whether to declare to the market any loss of independence.

The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.

Term

The Board has not adopted a tenure policy.

In accordance with the Constitution of the Company, no Director may serve for more than three (3) years following their appointment, without being re-elected by the shareholders.

No condition is placed on a Board member's length of appointment, however independence will be considered within the context of the review.

The Company will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

3. The Appointment and Role of the Chairman

The Board shall appoint a Chairman in accordance with the Constitution.

The Chairman should be a non-executive Director who satisfies the criteria for independence as outlined above.

The current Chairman of Eclipse does not meet the Company's criteria for independence as he is an executive and a substantial shareholder. The Board believes his experience and knowledge of the Company as well as his ability to provide strategic guidance and oversight of the Company makes him the most appropriate person to lead the Board.

The Company's Executive Director does not meet the Company's criteria for independence either by his standing as being employed by the Company.

As at current date, the Board consists of two (2) Executives and one (1) Non-Executive Director, therefore the Board is not independent and accordingly, the independence of the Board is subject to continual evaluation.

The Board consists of a mix of executive and non-executive directors with only one (1) being an independent director.

The Executive Director should not be the Chairman of the Company during his term as Executive Director or in the future.

The appointment of the Chairman shall be formally reviewed at the end of each three (3) year period.

The responsibilities of the Chairman are to:

- lead the Board, ensuring it is effective;
- set the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings;
- facilitate the effective contribution of all Directors and promote constructive and respective relations between Directors and between the Board and management;
- maintain effective communication between the Board and management; and
- brief all Directors in relation to issues arising at Board meetings

In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

4. 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 committees.

Due to the size and development of the Company, the Board does not currently have a separate Audit and Risk Management Committee or a separate Remuneration and Nomination Committee; instead these matters are carried out by the full Board in line with the respective Charters and by obtaining independent advice if required.

The Board will continue to assess the requirement for and benefits of establishing separate committees as the Company's operations develop.

5. Company Secretary

The Company Secretary, appointed and dismissed by the Board is accountable directly to the Board, through the Chairman, on all matters to do with the proper function of the Board.

The role of the Company Secretary includes:

- advising the Board and its Committees on governance matters;
- monitoring that Board and Committee policy and procedures are followed;
- coordinating the timely completion and dispatch of Board and Committee papers;
- attending Board and Committee Meetings ensuring that the business at the Meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors

Each Director should be able to communicate directly with the Company Secretary and visa versa.

6. Board Meetings

The Board shall meet as often as the Directors determine necessary to enable the Directors and the Board to fulfil their duties and responsibilities and it has been determined that this can be achieved through calling at least four (4) Board meetings a year.

Additional meetings, including by telephone conference calls can be called and there must be two Directors present at a meeting to constitute a quorum.

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

The Company Secretary is responsible for distributing Board meeting papers to Directors prior to the Meeting as far in advance as practicable.

The Chairman is responsible for the conduct of all Board meetings and the Chairman will if required, have the casting vote in accordance with the Constitution,

The minutes of each Board meeting shall be prepared by the Company Secretary and circulated to the Chairman for review and approval. Minutes of meetings should be approved and dispatched to the full Board within one (1) month of the meeting.

7. Division of responsibility between the Board and Senior Management

The Board is responsible for setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals.

The day-to-day management of the Company and its businesses is the responsibility of the Executive Director. The Board ensures that the Executive Director is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to assess his/her performance.

The specific responsibilities delegated to the Executive Director are outlined in the Matters Reserved for the Executive Director Policy.

8. 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.

The roles of the Chairman and the Executive Director are not combined. The Executive Director is accountable to the Board for all authority delegated to that position.

Although there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure that this is achieved. These mechanisms include the following:

- Establishment of an Audit and Risk Management Committee - Not yet implemented for Eclipse Metals Limited due to size of operations;
- Establishment of the Remuneration and Executive Committee – Not yet implemented for Eclipse Metals Limited due to size of operations;
- The Board oversees the strategic direction of the Company;
- The Board approves all budget;
- Procedures are in place to allow any Director or committee of the Board to seek external professional advice as considered necessary, at the Company's expense;
- In the event that a potential conflict of interest may arise, involved Directors withdraw from deliberations concerning the matter;
- The Board gives consideration to the impact of the Company's activities on the environment and wider community, safety and security and occupational health welfare of all personnel; and
- The Board undertakes any financial risk management

9. Measurement of the Board's performance

The Board believes that regular assessment of its effectiveness and the contribution of individual directors is essential to improve governance and the Board shall undertake an annual performance evaluation of itself that:

- Compares the performance of the Board with the requirements of this charter;
- Sets forth the goals and objectives of the Board for the upcoming year;
- Effects any improvements to this charter deemed necessary or desirable; and
- Performs such other functions as prescribed by law.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

10. Access to Independent 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, 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 Chairman. A copy of any such advice received is to be made available to all members of the Board.

11. 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 the law.

12. Review of Charter

This Charter will be reviewed by the Board from time to time, to ensure that it continues to reflect the letter and spirit of all applicable laws and regulations and the Company's commitment to its staff and the community.

A. Policy history

Established: July 2013

Last review: September 2015

Review frequency: Annually or as required