

REMUNERATION COMMITTEE CHARTER



Mineral Deposits
ABN 19 064 377 420

Charter of the Remuneration Committee

GENERAL SCOPE AND AUTHORITY

Establishment of the Remuneration Committee

The Remuneration Committee (“Committee”) was established by the Board of Directors (“Board”) of Mineral Deposits Limited (“MDL” or “Company”) on 24 August 2006 pursuant to clause 71 of the Constitution of the Company. This Charter is adopted pursuant to the MDL Board Charter and in order to comply with the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

Proceedings governed by the MDL Constitution

The proceedings and meetings of the Committee are governed by the provisions of the Constitution for regulating the meetings and proceedings of the Board of MDL to the maximum extent practicable.

Purpose and responsibilities of the Committee

The purpose and responsibilities of the Committee are to:

- ▶ determine and review the overall philosophy, strategy, plans, policies and practices for the recruitment, remuneration and retention of Company executives;
- ▶ review and approve corporate goals and objectives relevant to CEO compensation, evaluating the CEO’s performance in light of those corporate goals and objectives and review and approve the recommendations of the Board as regards the proposed remuneration package of the Managing Director/CEO based on his/their evaluation;
- ▶ review and approve the Managing Director/CEO’s recommendations in regard to proposed remuneration packages of employees reporting to him and in regard to proposed remuneration packages of employees reporting to the Chief Operating Officer in Senegal;
- ▶ consider the adoption of appropriate incentive/bonus plans and review adopted plans on a regular basis to ensure they comply with legislation and regulatory requirements, reflect industry standards and are effective in meeting the Company’s objectives;
- ▶ review the design and functioning of employee share option and/or ownership plans and bonus schemes on a regular basis to ensure they comply with legislation and regulatory requirements, reflect industry standards and are effective in achieving Company objectives;
- ▶ approve participants in employee share option and/or ownership plans and bonus schemes;
- ▶ approve the total level of award under employee share option and/or ownership plans and bonus schemes and the level of participation in such plans taking account of the Listing Rules of ASX as regards the grant of securities;
- ▶ review and approve the recommendations of the Managing Director/CEO in regard to termination payments and arrangements of executives reporting directly to him and in regard to termination payments and arrangements of those reporting to the Chief Operating Officer in Senegal; and
- ▶ prepare for approval of the Board any report on executive remuneration that may be required by any applicable law in Australia, Canada or elsewhere and review any executive compensation disclosure before MDL publicly discloses this information.

The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

COMPOSITION OF THE COMMITTEE

Membership

The Committee shall have at least three (3) members and shall consist of independent directors. In determining whether a director is independent, the Board considers all relevant definitions, recommendations and guidelines for the time being in force and being, as at the date of adoption of this Charter, the guidelines contained in the second edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council and the definition of “independence” as set out in Canadian National Instrument 58-101 – Disclosure of Corporate Governance Practices.

Charter of the Remuneration Committee

Chairman

The Chairman of the Committee shall be an independent director and shall provide leadership to the Committee with respect to its responsibilities as described in this Charter. The Chairman shall, in consultation with executive management, and with input from other directors, establish the agenda for each meeting of the Committee and shall ensure that properly prepared materials (reviewed in advance by the Chairman) are circulated to members of the Committee in accordance with this Charter. The Chairman shall ensure that internal and external resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.

Quorum

A quorum will comprise any two members. In the absence of the Chairman of the Committee, the members shall elect one of their number as Chairman of that meeting.

Other Attendees

The Committee may invite any other person, including any senior manager of the Company, to attend any meeting of the Committee, as it considers appropriate.

Company Secretary

The Company Secretary shall be the secretary of the Committee and shall be entitled to attend all meetings of the Committee.

MEETINGS

Frequency

The Committee shall meet as frequently as required, but not less than twice annually. Any Committee member or the secretary may call a meeting of the Committee.

Notice

A notice of each meeting confirming the date, time, venue and agenda shall be distributed to each member of the Committee (with a copy to all members of the Board of Directors excluding any matter where a conflict of interest has been notified) at least 5 business days prior to the date of the meeting. The notice of the meeting will include the relevant supporting papers for the agenda items to be discussed.

Powers

The Committee has the ability to direct any special investigations it deems necessary and to obtain professional advice from appropriate external advisers. Costs of obtaining external advice will be borne by MDL.

Report

The Chairman of the Committee, or delegate, shall report to the Board of the Company following each meeting.

Minutes

Minutes of meetings of the Committee shall be kept by the secretary. Minutes shall be distributed to all Committee members and the Chairman of the Board, after preliminary approval has been given by the Chairman of the Committee. Minutes, agenda and supporting papers will be made available to every director of the Company providing no conflict of interest exists.

REVIEW OF COMMITTEE PERFORMANCE

The Committee will at least annually revisit its purpose and responsibilities and evaluate the effectiveness of its performance against the provisions of this Charter.