



REMUNERATION COMMITTEE CHARTER

Scope

The remuneration committee is a committee of the board of directors (Board) of Leyshon Resources Limited (Company) with the specific powers delegated under this charter. The charter sets out the remuneration committee's function, composition, mode of operation, authority and responsibilities.

Functions and responsibilities

The principle functions of the remuneration committee are:

- to review and recommend to the Board the overall strategies in relation to executive remuneration policies;
- to review and make recommendations to the Board in respect of the compensation arrangements for the Managing Director, all other executive directors and all non-executive directors;
- to review the effectiveness of performance incentive plans; and
- to review and make recommendations to the Board in respect of all equity based remuneration plans.

In consultation with the Managing Director, the committee will review and recommend to the Board for approval, the Company's general approach to compensation and will oversee the development and implementation of the compensation regime.

Composition

The committee shall comprise at least two members of the Board. Directors serving on the remuneration committee should have diverse, complementary backgrounds who are independent of management and the Company.

The Company Secretary will be the secretary of the committee and will act as the principal liaison between executive management and the committee on remuneration matters.

Meetings

The committee shall meet as frequently as required, but not less than once per year. The committee shall have access to professional advice.

Two members of the committee shall comprise a quorum. Where only two members are present, the unanimous vote of the two members will constitute an act of the committee. Where the

committee comprises more than two committee members, the vote of a majority of the members present will constitute an act of the committee.

Remuneration policies

This policy governs the operation of the remuneration committee. The committee shall review and reassess the policy at least annually and obtain the approval of the Board.

General director remuneration

Shareholder approval must be obtained in relation to the overall limit set for directors' fees. The directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

Executive remuneration

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to the Company. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. Executives receive a base remuneration which is market related, together with an element of performance based remuneration.

Overall remuneration policies are subject to the discretion of the Board and will be adapted to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so. Within this framework, the remuneration committee considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive directors and senior executive management.

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to performance, relevant comparative information and expert advice.

The objective of any short term incentives is to link achievement of the Company's operational targets with the remuneration received by executives charged with meeting those targets. The objective of long term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth.

The committee's remuneration policies are designed to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policies are that:

- reward reflects the competitive market in which the Company operates;
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.

The structure of remuneration packages for executive directors and other senior executive management consists of the following:

- salary – executive directors and senior executives receive a fixed sum base salary payable monthly in cash;
- short term incentives – through eligibility to participate in performance bonus plans;
- long term incentives – executive directors are eligible to participate in share option schemes with the prior approval of shareholders. Senior executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to senior executives outside of approved employee option plans and in the event that no employee option plan exists; and
- other benefits - executive directors and senior executives are eligible to participate in superannuation schemes.

Non-executive directors remuneration

In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. Shareholders approve the maximum aggregate remuneration for non-executive directors. The remuneration committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, as appropriate. The maximum aggregate remuneration approved for directors is currently \$250,000. The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Non-executive directors are entitled to statutory superannuation benefits if applicable. At the current stage of the Company's development, non-executive directors may be entitled to participate in equity based remuneration schemes.

All directors are entitled to have their indemnity insurance paid by the Company.