



**Corporate Governance
Manual**
SciDev Limited



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1. Board Charter

SciDev Ltd's (the Company) Board is responsible for guiding and monitoring the Company on behalf of the shareholders by whom it is elected and to whom it is accountable. The Board seeks to meet the legitimate expectations of shareholders, while discharging its regulatory obligations and ethical responsibilities. In addition, the Board is responsible for identifying areas of significant business risk

and ensuring policies and procedures are in place to adequately manage those risks. The Company has established policies for the oversight and management of material business risks.

The Board has established an Audit Committee that acts within its charter set by the Board. The responsibility for the operation and administration of the Company is delegated by the Board to the senior management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the senior management team. 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's role includes the following:

- Setting and reviewing the vision, goals and strategy of the Company.
- Approving the Company's annual strategic plan and major operating plans.
- Approving Company budgets.
- Reviewing and providing feedback on the performance of the Managing Director.
- Reviewing the performance of the Board and individual Directors.
- Reviewing the half-year and annual financial statements and reports, and quarterly cash-flow statements.
- Determining Company policies and ensuring that adequate procedures are in place to manage the identified risks.

Having regard to the size of the Company, the Board does not have a separate Nomination Committee, but rather a combined Nomination and Remuneration Committee.

Appointment of Directors

If the Board determines that there is a need to appoint another Director for any reason it will:

- determine the appropriate skills, experience and qualifications, having regard to those of the
- existing Directors and the Company's Diversity Policy;
- agree on the process to seek such a person;
- set a timetable to appoint a new Director, having regards to the timing of the Annual General Meeting (AGM) and requirements of the Constitution; and
- prepare a short list and meet the candidates.

Conflicts of Interest

A majority of the Board's members are independent. As a general principle each Director must bring an enquiring, open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest.

If a Director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the Director should immediately consult with the Chairman. The roles of Chairman and Managing Director are not to be exercised by the same individual.

2. The Role of the Chairman

The Chairman of the Company is considered to be the 'lead' Director, and utilises his / her experience, skills and leadership abilities to provide the overall strategic direction of the Company and facilitate the governance processes.

Election of Chairman

In accordance with general business practice and the Company's Constitution, the Chairman is a Non-Executive Director, elected by the Board. The Chairman is elected on the basis of his / her achievements and record as a leader, and because he / she has relevant experience to lead the Board. The Chairman of the Board of SciDev Ltd is an independent Director.

Specific Roles of the Chairman

The role of the Chairman includes:

- Vision / Strategy
Ensuring leadership in setting and reviewing vision and determining strategy to achieve the Company's goals.
- Board Meetings
Setting Board meeting agendas with the Managing Director / Company Secretary, ensuring that Directors receive all relevant information needed, chairing meetings and dealing with conflicts.
- AGM
Chairing the AGM and ensuring that shareholders have the opportunity to speak on relevant matters, ensuring that the audit partner attends.
- External
Spokesperson with the Managing Director on Company matters.
- Managing Director
Being the primary point of contact between the Board and external parties, keeping fully informed on major MATTERS by the Managing Director, chairing the performance appraisal of the Managing Director and providing mentoring.

- **Board**
Initiating Board and Committee performance appraisals, ensuring that agreed composition is maintained and Director induction plans are in place.
- **Chairman's expenses**
Expenses will be ratified by the Managing Director. The Chairman of the Nomination and Remuneration Committee has the right to review any expenses of the Chairman. The Chairman will ratify the expenses of all the other Directors and the Managing Director.

Removal of Chairman

In accordance with the Constitution, the Chairman may be removed from office by a resolution of the Directors.

3. The Role of the Managing Director

The Managing Director is appointed by the Board, and is responsible for implementing the programmes and meeting the objectives established by the Board, and for the ongoing management of the Company in accordance with the strategy, policies and programmes approved by the Board. The Company shall be managed with the aim of achieving the goals agreed and endorsed by the Board.

The Managing Director's responsibilities and duties include:

- **Vision / Strategy**
Formulating with the Board the vision and strategy of the Company, developing action plans to achieve this vision and reporting regularly to the Board on progress in this regard.
- **Management Team and Employees**
Providing leadership, appointing and negotiating terms of employment of senior executives (with Board approval where necessary), developing a succession plan, ensuring procedures are in place for the education and training of the management team and employees to ensure compliance with laws and policies.
- **Operations**
The successful implementation of the Company's commercialisation activities.
- **Board**
Bringing all matters requiring review / approval to the Board, advising the Board of any changes in the Company's risk profile, providing certification regarding the half-year and annual financial reports, reporting to the Board on a monthly basis on the performance of the Company and ensuring the education of Directors on relevant matters.

The Managing Director is formally delegated by the Board to authorise all expenditures approved in the budget, except that:

- all expenditures in excess of authority limits set by the Board from time-to-time must be authorised by a resolution of the Board;

- all Managing Director compensation, outside normal monthly remuneration, must be authorised by the Chairman; and
- all business-related expenses paid to the Managing Director must be authorised and / or ratified by the Chairman.

4. Remuneration Committee Charter

SciDev Ltd has established a joint Nomination and Remuneration Committee. The purpose and powers of the Nomination and Remuneration Committee are set out below.

Membership of the Nomination and Remuneration Committee

- The Nomination and Remuneration Committee shall comprise of at least two members, and one of the Nomination and Remuneration Committee members shall be an independent Non- Executive Director. The Nomination and Remuneration Committee consists of a majority of independent Directors.
- A quorum for a meeting of the Nomination and Remuneration Committee is two members.
- A decision is made by the Nomination and Remuneration Committee if it is unanimously supported by members who are present at the meeting.
- It is intended that the Chairman of the Nomination and Remuneration Committee be the Chairman of the Board. The Nomination and Remuneration Committee is chaired by an independent Chairman.
- The Managing Director, executives and members of management may attend meetings of the Nomination and Remuneration Committee by invitation.

Administrative Matters

It is intended that the Nomination and Remuneration Committee will normally meet annually or as otherwise required. The Nomination and Remuneration Committee may, upon notifying the Board or the Chairman of the Board:

- seek advice of the Company's auditors and solicitors; and
- engage or procure the engagement of independent advisers, as determined by the Nomination and Remuneration Committee.

All minutes of the Nomination and Remuneration Committee will be entered into a minute book maintained for that purpose, and will be open at all times for inspection by any Director.

Reporting

It is intended that a report of the actions of the Nomination and Remuneration Committee, and / or a copy of the minutes of the Nomination and Remuneration Committee meetings, will be included in the papers for the next Board meeting to follow a meeting of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee Chairman will, if requested, provide a brief oral report to the Board as to any material matters arising out of the Nomination and Remuneration Committee meeting.

All Directors may, within a Board meeting, request information of members of the Nomination and Remuneration Committee.

Responsibilities and Functions

Remuneration

The role of the Nomination and Remuneration Committee in relation to remuneration is to advise the Board on matters relating to the remuneration of the Directors, Senior Executives and employees of the Company. The Company clearly distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives. Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not linked to individual performance. From time-to-time the Company may grant options to Non-Executive Directors. The grant of options is designed to recognise and reward efforts, as well as to provide Non-Executive Directors with additional incentive to continue those efforts for the benefit of the Company.

Pay and rewards for Executive Directors and Senior Executives consist of a base salary, and may consist of performance incentives. Long-term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executive Directors are offered a competitive level of base pay salaries at market rates and, which are reviewed annually to ensure market competitiveness.

There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors of the Company. Managing Director Evaluation

The Managing Director is the key employee of the Company in general and of the Board in particular. As such a special relationship exists between the Managing Director and the Board. A detailed Managing Director evaluation is undertaken annually by the Nomination and

Remuneration Committee, with the process co-ordinated by the Chairman.

Managing Director evaluation will utilize both quantitative and qualitative measures. Evaluation will be judged against the approved strategic plan.

The Chairman of the Nomination and Remuneration Committee will provide a brief report for the full Board after discussion with the Managing Director. However, the performance of the Managing Director is a matter for full Board deliberation.

5. Nomination Policy and Charter

Skills Required on the Board

The Board shall contain the relevant blend of expertise in:

- the mineral resources industry;
- finance;
- business; and

- Managing Director-level experience.

Appointment of Non-Executive Directors

Directors are appointed under the terms of the Company's Constitution.

The number of directors allowed under the Constitution is a minimum of three and a maximum of seven. A director may be elected by an ordinary resolution of the Company in general meeting. In the situation of a vacancy occurring between such election, the Board will appoint a replacement director. Such a director will only hold office until the next general meeting of the Company.

Rotation of Non-Executive Directors

As contained in the Company's Constitution, a director may be elected for a term of a maximum of three years. To ensure a gradual and controlled movement of directors, the longest serving one- third of all directors (rounded down to the nearest whole number) is expected to retire at each AGM, but shall be eligible for re-election.

6. Independent Advice

Directors may obtain independent experts' advice to enable them to fulfil their obligations at the expense of the company and after obtaining approval of the Chairman.

7. Securities Trading and Trading Windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Managing Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out other than in the "window", being the period nominated by the Chairman of the Board or the Managing Director, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling the Company's shares at any time if they are aware of price sensitive information that has not been made public.

8. Audit Committee Charter

The Board of SciDev Ltd has established an Audit Committee (Committee). The purpose for which the Committee has been established and the powers of the Committee are set out in this document.

Membership

The Committee shall be members of, and appointed by, the Board of directors and shall comprise at least three directors that have diverse, complementary backgrounds, and are independent of management and the Company. When possible, the Audit Committee will comprise three members who are all Non-Executive Directors of the Company, with a majority of members classed as independent directors. The Audit Committee Chairman is an independent Director who is not the Chairman of the Board. Also, the

Committee chair shall have leadership experience and a strong finance, accounting and/or business background or understanding. All Committee members shall be financially literate, or become financially literate within a reasonable period of time after appointment. Furthermore, at least one member shall have accounting and/or related financial management expertise as determined by the Board of Directors.

Members of the Committee shall be considered independent so long as they do not have any relationship with the Company that may interfere with the exercise of independent judgment. This means they shall not accept any consulting, advisory, or other compensatory fee from the Company and are not an affiliated person of the Company or its related entities. They should also meet the definition of what constitutes an 'independent director' as set out in the Australian Stock Exchange Corporate Governance Council's definition described in its publication "Principles of Good Corporate Governance and Best Practice Recommendations". The only compensation shall be directors' fees for services provided to the Committee.

Meetings

The Committee shall meet at least two times each year. The purpose of these meetings shall be to: review and approve audit plans;

- review and approve the half-year financial report;
- update the audit plans; and
- review and approve the annual financial report.

Purpose

The Committee shall provide assistance to the Board of directors in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee the auditors (if applicable), and management of the Company. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

Duties and Responsibilities

Understanding the Business

The Committee shall ensure it understands the Company's structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Company in the current environment.

Financial Reporting

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board.

While the Audit Committee has the responsibilities and powers set forth in this formal Charter, it is not the duty of the Committee to plan or conduct audits.

The Board of directors is responsible for the Company's financial reports including the appropriateness of the accounting policies and principles that are used by the Company. The auditors are responsible for auditing the Company's financial reports and for reviewing the Company's unaudited interim financial reports.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to set the overall corporate 'tone' for quality financial reporting, sound business risk practices, and ethical behaviour. The following shall be the principal duties and responsibilities of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

Assessment of Accounting, Financial and Internal Controls

Management has designed and implemented the risk management and internal control system to manage the Company's material business risks, and reports to the Board on whether those risks are being managed effectively. The Board notes that management reports to it as to the effectiveness of the Company's management of its material business risks. The Audit Committee also discusses with management and the auditors, the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programmes (including the Company's Code of Conduct). Any opinion obtained from the auditors on the Company's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method.

The Committee periodically meets separately with management and the auditors to discuss issues and concerns warranting Committee attention, including but not limited to its assessments of the effectiveness of internal controls and the process for improvement. The Committee shall provide sufficient opportunity for the auditors to meet privately with the members of the Committee. The Committee shall review with the auditor any audit problems or difficulties and management's response.

The Board has received assurance from the Managing Director and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Committee shall review all representation letters signed by management to ensure that the information provided is complete and appropriate. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the auditors under generally accepted auditing standards.

The Committee shall receive regular reports from the auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

Appointment of Auditors and Rotation

The Committee shall be directly responsible for making recommendations to the Board of directors on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the auditors, including resolution of disagreements between management and the auditor regarding financial reporting. The Committee shall pre-approve all audit and non-audit services provided by the auditors and shall not engage the auditors to perform any non-audit/ assurance services that may impair or appear to impair the auditor's judgment or independence in respect of the Company. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting. The Committee shall review the procedures adopted for the rotation of external audit engagement partners.

Assessment of the Audit

The Committee, at least on an annual basis, shall obtain and review a report by the auditors describing (or meet, discuss and document the following with them):

- the audit firm's internal quality control procedures;
- any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- all relationships between the auditor and the Company (to assess the auditor's independence). In addition, the Committee shall set clear hiring policies for employees or former employees of the auditor in order to prevent the impairment or perceived impairment of the auditor's judgment or independence in respect of the Company.

Independence of the Auditors

The Committee shall review and assess the independence of the auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the auditor's judgment or independence in respect of the Company. Furthermore, the Committee shall draft an annual statement for inclusion in the Company's annual report of whether the Committee is satisfied the provision of non-audit services is compatible with auditor independence.

Scope of the Audit

The Committee shall discuss with the auditors the overall scope of the audit, including identified risk areas and any additional agreed-upon procedures. In addition, the Committee shall also review the auditor's

compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.

Communications with Stakeholders

The Committee shall review the full year financial report and Appendix 4E, and half-year financial report and Appendix 4D, prior to the lodgment of these with ASX. Also, the Committee shall discuss the results of the half-year review and any other matters required to be communicated to the Committee by the auditors under generally accepted auditing standards. The chair of the Committee may represent the entire Committee for the purposes of this review.

The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall receive corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty.

9. Continuous Disclosure Policy

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance.

The Company is required to keep the market fully informed of information that may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to ASX in the form of an ASX release or disclosure in other relevant documents (for example, the Company's Annual Report).

Procedures

Standing Obligations of Directors, Executives and Senior Managers

As soon as a Director, executive or senior manager becomes aware of information that:

- is not generally available (i.e. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
- may be price-sensitive (i.e. it is likely to have a financial impact or impact on the reputation of the Company that may be considered material), the Director, executive or Senior Manager must provide to the Managing Director the following information:
 - A general description of the matter.
 - Details of the parties involved.
 - The relevant date of the event or transaction.
 - The status of the matter (for example, final/negotiations still in progress/preliminary negotiations only).

Further Obligations of Executives and Senior Managers

The following procedures will apply at all times to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- Each member of the Company's senior management team must: immediately notify the Managing Director as soon as they become aware of potential material information that should be considered for release to the market.
- The Managing Director will:
 - review the possibly material information reported by senior management;
 - consult with the Chairman and, where appropriate the Directors, to determine what action, if any, is appropriate; and
 - determine whether any of the information is required to be disclosed to ASX.

Information provided to, and discussions with, analysts or the media are also subject to the Continuous Disclosure Policy.

Material information must not be selectively disclosed (i.e. to analysts or the media) prior to being announced to ASX.

All inquiries from analysts must be referred to the Managing Director. All material to be presented at an analyst briefing or released to the media must be approved by or referred through the Managing Director prior to briefing.

All inquiries from the media must be referred to the Managing Director.

The Role of the Company Secretary

The Company has nominated the Company Secretary as the person with primary responsibility for all communication with ASX.

- The Company Secretary is specifically responsible for:
- liaising with ASX in relation to continuous disclosure issues;
- ensuring that the system for the disclosure of all material information to ASX in a timely fashion is operating;
- co-ordinating the actual form of disclosure, including reviewing proposed announcements by the Company to ASX and liaising with the Managing Director, the Chairman of the Board and the Board in relation to the form of any ASX releases;
- liaising with the Managing Director, the Board of Directors or senior management as appropriate, in relation to the disclosure of information;
- keeping a record of all ASX and other releases that have been made;
- periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or Corporations Act 2001 and recommending any necessary changes to the procedures to the Board; and

- preparing regular disclosure reports to the Board which advise of:
 - material matters considered and the form of disclosure (if any); and
 - any material changes to the Company’s continuous disclosure processes or policy.

10. Board Performance Review Policy

The Board of Directors of the Company believes it is important that it review its own performance and that of its committees, with a view to achieving a high level of performance by the Board.

The Board meets periodically for the purpose of reviewing and evaluating the performance of the Board and that of its committees as a whole in meeting its responsibilities, strategies and objectives. Directors may at any time discuss with the Chairman any issue concerning Board performance. All one-on-one discussions are confidential, unless otherwise agreed by the director concerned.

The Board may engage external consultants to:

- evaluate its performance in accordance with this policy;
- implement recommendations made by the Board as a result of any evaluation; and
- suggest or provide appropriate training or courses for the Board or certain directors.

11. Diversity Policy

Diversity in the workplace mirrors the diversity of the broader community, encompassing age, gender, ethnicity, cultural and other personal factors. The Company respects the diversity of all employees, consultants and contractors and cultivates an environment of fairness, respect and equal opportunity. The Company believes that the pursuit of diversity in the workplace increases the pool of talent available, enhances individual work-life balance, encourages personal achievement, improves co-operation and assists in the optimisation of organisational performance.

Policy Objective

To provide a fair and equitable workplace, free from discrimination related to age, gender, ethnic, cultural or other personal factors, in which diversity enhances Company performance and Shareholder value.

Role of the Board

It is the responsibility of the Board to foster an environment where:

- Individual differences are respected.
Access to employment, rewards and training opportunities is based on performance, skill and merit.
Inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.

Achieving Diversity

The Company encourages diversity at all levels of the organisation as a means of facilitating an appropriate mix of skills and talent to conduct its business. Active management of diversity in the workplace involves recognising and valuing the unique contribution people can make because of their individual backgrounds, different skills, experiences and perspectives. In order to monitor the Company's performance, the Board has set measurable objectives in relation to all aspects of diversity.

These objectives include procedural / structural objectives; initiatives, and programmes and targets in respect of: the diversity of persons employed by (or who are consultants to) the Company; the diversity of persons on the Board; the nature of the roles in which persons are employed, including on full time, part time or contracted bases, and in leadership, management, professional speciality or supporting roles; and the participation of persons at different remuneration bands, each by reference to gender, age, ethnicity and cultural background.

Subject to the size and operations of the Company, the Board is committed to the long-term goal of improving gender representation across all levels of the organisation. The Board assesses annually both the objectives and progress in achieving gender diversity. The Board has measurable objectives for achieving gender diversity that are appropriate for the size of the Company, which are disclosed in the Company's Annual Reports.

Ensuring Equal Opportunity

The Company will provide equal opportunities in respect to employment and employment conditions, including:

- **Hiring**
The Board will ensure appropriate selection criteria, based on diverse skills, experience and perspectives are used when recruiting new staff and Directors. Job specifications, advertisements, application forms and contracts will not contain any direct or inferred discrimination.
- **Training**
All internal and external training opportunities will be based on merit and Company and individual needs. The Board will consider senior management training and executive mentoring programmes to develop skills and experience to prepare employees for senior management and Board positions.
- **Career Advancement**
All decisions associated with career advancement, including promotions, transfers, and other assignments, will meet the Company's needs and be determined on skill and merit.

Work Environment

The Company will ensure that all officers, employees, consultants and contractors have access to a work environment that is free from harassment and unwanted conduct in relation to personal circumstances or characteristics. Directors, managers and supervisors will ensure that complainants or reports of sexual, racial or other harassment are treated seriously, confidentially and sympathetically by the Company.

Reporting Responsibility

It is the responsibility of all Directors, officers, employees, consultants and contractors to comply with the Company's Diversity Policy and report violations or suspected violations. The Board will proactively monitor Company performance in meeting the standards and policies outlined in this Policy. This will include an annual review of the diversity objectives set by the Board, and its progress in achieving them. The Board will consider setting key performance indicators for the Board, the Managing Director and senior executives that are linked to the achievement of the diversity objectives set by the Board.

Compliance with this Diversity Policy

Any breach of compliance with this Diversity Policy is to be reported directly to the Managing Director, Chairman or to the Report and Investigation Officer, as appropriate. Anyone breaching this Diversity Policy may be subject to disciplinary action, including termination.

Summary of Diversity Policy

The Board has adopted a Diversity Policy which describes the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the process by which the Board has set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

12. Code of Conduct

The practices necessary to maintain confidence in the Company's integrity are set out in this Code of Conduct. The Company's Code of Conduct aims to encourage the appropriate standards of conduct and behaviour of the Directors, officers, employees and contractors (collectively called the employees) of the Company. Employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

General Principles and Practices

- Employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
- Employees have a duty to use due care and diligence in fulfilling the functions of their position, and exercising the powers attached to their employment.
- Employees must recognise that their primary responsibility is to the Company's shareholders as a whole.
- Employees must not take advantage of their position for personal gain or the gain of their associates.

- Directors have an obligation to be independent in their judgements.
- Confidential information received by employees in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
- Employees have an obligation to comply with the spirit, as well as the letter, of the law and with the principles of this Code of Conduct.

The practices necessary to take into account the Company's legal obligations and the reasonable expectations of the Company's stakeholders are also set out in this Code of Conduct.

The responsibility and accountability of individuals for reporting and investigating reports of unethical practices are critical to the Company, which views breaches of the Code of Conduct as serious misconduct. Employees who have become aware of any breaches of this Code of Conduct must report the matter immediately to a senior manager of the Company.

The senior manager has the responsibility to report the breach to a Director of the Company and to advise the relevant employee of the outcome and actions implemented. Any employee who, in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report. Employees who breach the policies outlined in this Code of Conduct may be subject to disciplinary action, including, in the case of serious breaches, dismissal.

Directors

The following additional comments apply to Directors of the Company and aim to ensure that Directors have a clear understanding of the Company's expectations of their conduct.

Fiduciary Duties

All Directors have a fiduciary relationship with the shareholders of the Company. A Director occupies a unique position of trust with shareholders, which makes it unlawful for Directors to improperly use their position to gain advantage for themselves.

Duties of Directors

Each Director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, Directors need to devote sufficient time and effort to understand the Company's operations. Directors should ensure that shareholders and ASX are informed of all material matters that require disclosure, and avoid or fully disclose conflicts of interest.

Conflict of Interest

A Director must be able to act in the interests of the Company at all times. Where the interests of associates, the personal interest of a Director or a Director's family may conflict with those of the Company, then the Director must immediately disclose such conflict and either:

- eliminate the conflict or
- abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive Directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as Directors.

Insider Trading

Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price, must not be used for any purpose other than valid Company requirements.

Managing Director and Chief Financial Officer

It is the responsibility of both the Managing Director and Chief Financial Officer to provide written assurances to the Board that, in all material respects:

- the financial reports submitted to the Board represent a true and fair view of the Company's
- financial condition and operational results; and
- the Company's risk management and internal compliance, and control systems are operating
- efficiently and effectively.

Stakeholders

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, customers and the general community. The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development of its business, and the provision of innovative solutions within the mining and related industries. This is achieved by:

- mineral exploration on the Company's tenements; and
- new project review and acquisition.

The Company is committed to conducting all its operations in a manner that:

- protects the health and safety of all employees, contractors and community members;
- recognises, values and rewards the individual contribution of each employee;
- achieves a balance between economic development, maintenance of the environment and social responsibility;
- maintains good relationships with suppliers and the local community; and
- is honest, lawful and moral.

All employees (including Directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

This Code of Conduct is to be reviewed annually.

13. Communications Policy

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings. As a publicly-listed company, the Company has obligations under the Corporations Act 2001 and the ASX Listing Rules to keep the market fully informed of all information that may have, or could be expected to have, a material effect on the price or value of its securities.

This policy is designed for strict compliance with these requirements. In addition, the Company believes in maintaining full and open communication with its shareholders, observing the highest standards in Corporate Governance and shareholder communications.

Accordingly, the Company's policy provides for communication with its shareholders over and above what is required by the legislation or regulators (subject only to essential commercial and confidentiality constraints). This document is an important part of the fundamental set of behaviours and principles that underpins all of the Company's activities.

Regular Shareholder Communications

The Company is committed (subject to commercial and confidentiality constraints) to maintaining direct, open and timely communications with all shareholders and encouraging their participation at general meetings. Shareholders will receive regular communications from the Company, including:

- the Annual Report (ordinarily released to ASX in September and mailed to shareholders in October); and
- an invitation to the AGM and all accompanying papers (ordinarily scheduled to occur in November).

The Company's aim is to ensure that all shareholders, both individual and institutional, have simultaneous access to all information. Through ASX releases and the Company's website updates, market analysts and industry bodies also have access to information at the same time as the shareholders. All announcements made by the Company to ASX are also posted on the Company's website at www.SciDev.com.au. Where requested, particular communications listed above will be mailed to shareholders.

Special Shareholder Communications

From time-to-time the Company will communicate other information to shareholders. Such communications will be on a needs-be basis and may be disseminated by direct written communication to shareholders or by way of a Company announcement to ASX, which would also be published on the Company's website at www.SciDev.com.au or emailed to shareholders, most likely through the Company's share register.

Shareholder Confidence

In summary, the aim of this policy is to nurture the loyalty and confidence of the Company's shareholders through frequent, full and forthright communication, both directly to shareholders and indirectly through analysts and the media. The Company aims to be a model corporation in its approach to shareholder communications and relations. The Company seeks to ensure that each investor interaction meets the highest levels of professionalism and quality, which it wishes to be associated with SciDev Ltd's name.

External Auditors and the AGM

The Company will request that the external auditor attend the AGM, and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the Auditor's Report