

Statement of Board and Management Functions

Effective from 6th June 2011

This document details the statement of Board and Management functions of Altura Mining Limited ('Altura' or 'the Company').

ROLE OF THE BOARD

The role of the Board is to:

- (a) Protect and enhance long-term shareholder value; and
- (b) Provide strategic direction for the Company, establish goals for management and monitor the achievement of those goals.

RESPONSIBILITY OF THE BOARD

The Board is collectively responsible for promoting and ensuring 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 (b) to (k);
- (b) Ensuring the Company is properly managed. For example by:
 - (i) Appointing and removing the Managing Director of the Company;
 - (ii) Ratifying the appointment and, where appropriate, the removal of 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;

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- (h) Liaising with the Company's external auditors and Audit Committee;
- (i) Monitoring the environmental performance of the Company;
- (j) Employee and community relations policy; and
- (k) Safety and health policy.

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 senior management team (except for paragraphs (a), (b), (f) and (g) and where any matter exceeds the Materiality Threshold as defined below).

MATERIALITY THRESHOLD

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

(a) Materiality – Quantitative

Balance sheet items

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

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.

(b) 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) Accumulated they would trigger the quantitative tests;
- (vi) They involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or
- (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%.

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(c) 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 or qualitative tests.

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

ORGANISATION OF THE BOARD

Since the Company does not have a permanent Chairman, the non-executive directors on a rotational basis perform the role of chairman at Board meetings. The Chairman of the meeting is responsible for the efficient running of each board meeting.

NON-EXECUTIVE DIRECTORS

The non-executive directors are responsible for reviewing and challenging executive performance. A formal review of executives' performance and compensation is carried out by the Remuneration & Nomination Committee.

THE MANAGING DIRECTOR

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board, in accordance with the terms and conditions detailed in the Managing Director's contract of employment.

In carrying out his/her responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

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ROLE AND RESPONSIBILITY OF MANAGEMENT

The role of management is to support the Managing Director 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 Managing Director or if the matter concerns the Managing Director then directly to one of the Independent Directors, as appropriate.