

Remuneration Committee Charter

1. Introduction

The Objective of this policy shall be to ensure that members of the executive management of KalNorth Gold Mines Limited (the “Company”) are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

2. Membership

- 2.1 The committee shall consist of at least three (3) directors. A majority of the members of the committee should be non- executive Directors. All appointments to the committee shall be made by the Board.
- 2.2 Only members of the committee have the right to attend committee meetings. However, other individuals and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3 The Board shall appoint the committee Chairman who should be either the Chairman of the Board or another independent non- executive Director. In the absence of the committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the committee when it is dealing with the matter of succession to the chairmanship.
- 2.4 The quorum necessary for the transaction of business shall be two (2), both of whom must be independent non-executive Directors. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

3. Frequency of meetings

- 3.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee Chairman.
- 3.2 The committee shall meet at least once a year and at such other times as the Chairman of the committee shall require.

4. Minutes of meetings

- 4.1 The Company Secretary shall act as the secretary of the committee.
- 4.2 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 4.3 Minutes of committee meetings shall be circulated promptly to all members of the committee and the chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

5. Duties

The committee shall:

- 5.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, non-executive Directors, executive Directors, Company Secretary and such other members of the executive management as required.
- 5.2 ensure that no Director or manager shall be involved in any decisions as to their own remuneration.
- 5.3 review the ongoing appropriateness and relevance of the remuneration policy.
- 5.4 approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such scheme.

- 5.5 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards amounts and the performance criteria.
- 5.6 ensure that contractual terms on termination, and any payments made, are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 5.7 give due regard to any relevant legal requirements, the provisions and recommendations in the Corporations Act and the ASX Listing Rules and associated guidance.
- 5.8 ensure that all provisions regarding disclosure of remuneration are fulfilled.
- 5.9 be exclusively responsible for selecting and setting the terms of reference for any remuneration consultants who advise the committee.
- 5.10 obtain reliable, up-to-date information about remuneration in other companies.
- 5.11 The committee Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the committee's activities.

6. Authority

- 6.1 The committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 6.2 The committee is authorised to obtain, at the Company's expense and with the prior consent of the company Chairman, outside legal or other professional advice on any matters within its terms of reference.