

Director Selection and Appointment Policy

Cape Lambert Resources Limited
ACN 095 047 920



Introduction

The Board of Cape Lambert Resources Limited (**Company**) are ultimately elected by the Shareholders of the Company however the selection and recommendation of potential Directors for Shareholder vote plays an important role.

The Board shall ensure that, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including:

- Accounting and finance;
- Business development and risk management;
- Resources and mining industry, drilling industry and public company experience; and
- An appropriate ratio and skills matrix for executive and non-executive directors.

Procedure

In the circumstances where the Board believes there is a need to appoint another Director, whether due to retirement of a Director or growth or complexity of the Company, certain procedures will be followed, including the following:

- Determine the skills and experience appropriate for the appointee having regard to those of the existing Directors and any other likely changes to the Board;
- Agree the process and timetable for seeking such a person, which may involve an external search firm; and
- A short list of candidates will be prepared for the Board's consideration and interview. Candidates will be assessed on the following basis:
 - competencies and qualifications;
 - independence;
 - other directorships;
 - time availability;
 - contribution to the overall balance of the composition of the Board; and
 - depth of understanding of the role of and legal obligations, of a Director.

The Executive Chairman on an annual basis reviews the composition of the Board to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

If an invitation to become a Director is accepted, the Board will appoint the new Director during the year and that person will then stand for re-election by Shareholders at the next Annual General Meeting. Shareholders are provided with relevant information on the candidates for re-election in the Notice of Meeting.

New Directors

New Directors are provided with a formal letter of appointment which sets out the terms and conditions of appointment including their duties, rights, responsibilities and expectations. Prior to the appointment of Directors, appropriate checks are

undertaken into candidate's character, experience, education, criminal record and bankruptcy history.

The Company believes it is important that new Directors are able to contribute to the Board's decision making process at the earliest opportunity. An informal induction process exists and is facilitated by the Executive Chairman. The process includes the new Director meeting with the other Board members, senior management and the Company Secretary in order to gain an insight into the key issues and culture of the Company.

Review of Policy

The Board shall review this Policy as required.

This Policy was approved by the Board of the Company on 12 August 2016.