

REY RESOURCES LIMITED

ACN 108 003 890

REMUNERATION COMMITTEE CHARTER

The Board of Rey Resources Limited (Company) has established a Remuneration Committee (Committee). The purpose of the Committee and the powers of the Committee are set out below.

1. Membership of the Committee

- It is the Board's intention that the Committee comprise all directors of the Company;
- a quorum for a meeting of the Committee is two members;
- a decision is made by the Committee if it is unanimously supported by members who are present at the meeting;
- it is intended that the Chairman of the Committee be the Chairman of the Board; and that
- senior executives and members of management may attend meetings of the Committee by invitation.

2. Administrative Matters

It is intended that the Committee will normally meet biannually or as otherwise required. The 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 Committee.

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

3. Reporting

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

The Committee Chair will, if requested, provide a brief oral report to the Board as to any material matters arising out of the Committee meeting. All directors may, within a Board meeting, request information of members of the Committee.

4. Responsibilities and functions

4.1 Remuneration

The role of the Committee in relation to remuneration is to advise the Board on matters relating to the remuneration of the directors and senior executives and employees of the Company.

The Committee will be responsible for:

- (a) reviewing, determining and approving remuneration arrangements for the Managing Director and senior executives. In fulfilling this role, the Committee will have regard to the Company's remuneration policy to ensure that the structure of the remuneration package:
 - is market related and appropriate for the responsibilities of the role;
 - recognises and rewards performance; and
 - provides incentive and motivation for that person, as part of management, to pursue the long term growth and success of the Company within an appropriate control framework.
- (b) reviewing and approving the general remuneration framework for employees of the Company, including administration and operation of the Company's Employee Option Plan and other incentive plans;
- (c) reviewing and supporting / approving the Company's recruitment, retention, succession and termination policies and procedures for senior management; and
- (d) making recommendations to the Board regarding their remuneration framework for directors, including in relation to:
 - the level of fees payable to each non-executive director within the maximum aggregate level of remuneration approved by shareholders;
 - any changes to the maximum aggregate level of remuneration approved by shareholders;
 - the manner in which fees may be taken; and
 - any other applicable arrangements, including for example, fees in relation to retirement benefits, payments of fees for special exertions, director expense claims and ad hoc Committee fees.

4.2 Evaluation of Managing Director

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 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.

Managing Director evaluation will occur around mid-year and the results will be reported to the Board at the next Board meeting following the evaluation. At this time, the Board and Managing Director will discuss and agree on goals (both quantitative and qualitative) for the upcoming year.

The Chairman of the 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 and is a separate agenda item at the relevant Board meeting.

5. Review

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances. Where necessary the Committee may, by resolution, alter the responsibilities, functions or membership of the Committee and recommend to the Board the formal adoption of the revised Charter for future operations of the Committee.