Duke Exploration Limited

COMMUNITY RELATIONS POLICY

DUKE EXPLORATION LIMITED
ABN 28 119 421 868

1   COMMUNITY RELATIONS POLICY

Duke Exploration Limited (Duke) is committed to the development and maintenance of good relationships with stakeholder communities in the regions in which we operate.

In accepting business responsibility for exploration and mining activities that we conduct, we also acknowledge social responsibility to the extent that our projects should bring tangible benefits to surrounding communities. Accordingly, for the benefit of our communities and our shareholders, Duke will:

- Comply with all applicable laws, regulations and standards in the regions in which we operate

- Develop a Community Relations Management System for each region in which we operate

- Regularly consult with communities and their representatives to discuss issues and concerns and how these may be managed

- Undertake cost-effective socio-economic initiatives during mining operations that reflect the needs of communities

- Recognise and respect the values of different cultures where we operate

- Regularly audit a project's Community Relations Plan and its implementation, operation, measurement and reporting requirements

- Promote the achievements of our Policy to Company staff, shareholders, communities and government.

Careful project management, a commitment to successful community relationships and an adherence to this Policy, will lead to increased mutual respect for all parties.

Toko Kapea
Chairman
Duke Exploration Limited

2   PLANNING

2.1   Review Project Description and Environmental Effects

All Duke employees should understand the aspects and effects of the businesses in which they operate.

At an exploration or mining site, a Community Relations officer should understand the business objectives of his or her project and determine how the operation will interact with stakeholders.

Exploration and Mining projects will result in effects to air, land, water and people. The effects of a project, whether local or beyond the lease boundary, should be well understood and communicated to stakeholders. Methods of communication should be established including the preparation and distribution of reading material such as project handbooks. Handbooks should be reviewed and updated when appropriate.

2.2   Stakeholder Identification

Identify any people in the community:

- Who might be impacted by Duke

- Have an interest in the operation

- Who are otherwise key to the success of the operation

Identify stakeholders or stakeholder representatives who may become regularly involved in community relations reporting and auditing.

Commence identification of stakeholders at the start of a project.

Develop a "master" stakeholder contacts database and a procedure for continually updating the system.

2.3   Issues and Impact Identification

Identify:

- Operational issues and potential effects on communities

- Community issues and their potential impact on the mining project.

Draw upon all resources including literature and media search to understand stakeholders, issues and impacts in their entirety.

2.4   Community Relation Plan

Develop an integrated plan to manage to manage community issues over the life of the operation and post-closure. The plan should include the following:

- Objectives and targets

- Defining the scope

- Setting a budget

- Addressing communications and promotion of the project.

Develop in-house Practice Guidelines (or Guidance Notes) with objectives and procedures to strengthen the framework of the Community Relations Management System.

The integrated plan should be reviewed when appropriate, at least on an annual basis.

2.5 Integration of Plan

Ensure that the community relations, external affairs and business plans are aligned.

3 IMPLEMENTATION

3.1 Resource Allocation

Identify resources and budgets to implement the plan. Reviews of the plan should be conducted before annual budgets are prepared.

3.2 Assign Responsibilities

Allocate organisational responsibility and accountability.

3.3 Training, Competence and Awareness

Ensure that community relations officers have the necessary skills to match their job functions. Provide training and outside expertise if necessary to improve skills.

Promote the importance of community relations amongst all employees.

3.4 Guidelines

Develop and provide a community relations toolkit (or procedures) for reference if required. This is useful in cross-cultural areas.

3.5 Document Management

Provide records of community interactions including the following:

- Contacts database
- Communications log
- Issues register.

Maintain the register and stress the importance of documentation.

3.6 Emergency Response

Identify the issues that may cause community outrage. Consider not only issues that are a direct or indirect consequence of the mine, but also outside issues that may adversely impact the project (e.g. ethnic issues, unacceptable environmental impacts).

Prepare a plan to monitor and control these issues and include contingency measures.

3.7 Regulatory Compliance

Maintain on-site copies of regulations and agreements relating to the community and maintain a register of monitoring and compliance.

4 CHECKING AND CORRECTIVE ACTION

4.1 Reporting

Formalise the flow of specific information, both external and internal, and facilitate:

- Information sharing
- Issues management
- Performance review
- Organisational alignment.

Reporting should be at least monthly but can be more often such as daily as situations dictate.

4.2 Measurement

Generate measurable and achievable objectives and targets to ensure the continuous improvement of community relations programmes. Evaluate success against Key Performance Indicators (KPIs).

4.3 Audit

Devise a community relations audit system that will effectively test compliance with license conditions and assess performance against set criteria of the Community Relations Management System.

An internal audit should be conducted annually, with an external audit every two or three years. The audit should be undertaken prior to preparation of the annual project budget.

5 MANAGEMENT REVIEW

5.1 Performance Improvement Plan

Prioritise deficiencies that need to be rectified (as outlined in the audit) and highlight areas of strength which need to be maintained or further developed.

The Performance Improvement Plan should be undertaken prior to preparation of the annual project budget.

5.2 Review Community Relations Budget

Review the Community Relations budget for the following year taking into account the resources required to implement all or part of the Performance Improvement Plan.

5.3 Communicate Success and Share Learning

Devise methods of communicating success with Company staff and key stakeholders.

5.4 Performance Recognition

Recognise and reward the contribution of individuals and teams. Develop an award system if appropriate.

Community Relations staff should meet regularly to discuss the progress of their projects with honest evaluation.