



CORPORATE GOVERNANCE POLICY

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has not addressed each of the Council's recommendations, the following table details the reason for the departure. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/about/CorporateGovernance_AA2.shtm

The Board is responsible for the overall corporate governance of the Company and acknowledges, as a guiding principle, that it will at all times act ethically, honestly, and in accordance with the law, with a view to creating sustainable value for its shareholders.

The Board endorses the Corporate Governance Principles and Recommendations (ASX Recommendations) as published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations, to the extent appropriate having regard to the size and circumstances of the Company.

The following policies and procedures have been implemented and are available in full on the company's website at www.tungstenmining.com

- **Statement of Board and Management Functions**

The Board of Directors has adopted a charter formalising the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

- **Code of conduct for Directors and key executives**

The Board has adopted a Code of Conduct for Directors and Key Executives which addresses matters relevant to the Company's legal and ethical obligation to its stakeholders. The policy outlines its requirements with respect to; the Directors discharge of duties; relationships; compliance with laws and ethics; conflicts of interest; confidentiality; use of company assets; competition; environment; health and safety; and the annual review of the code of conduct by the Board

- **Share Trading Policy**

The Share Trading Policy sets out the Company's policy with regard to trading in Company securities. The policy applies to all directors, key management personnel and other employees of the Company and their associates. The policy outlines: the requirements; general prohibition on insider trading; restrictions on trading; additional restrictions on short-term trading; permission to trade; exceptions; required notification of proposed trade in Company securities; and notification of trade in the Company's securities.

- **Audit Committee Charter;**



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The Board has adopted an Audit Committee Charter outlining the composition of the committee; its responsibilities; authority; meeting requirements; reporting procedures; and oversight of the risk management system.

- **Continuous Disclosure Policy;**

The Board has adopted a Disclosure Strategy to ensure that The Company complies with the disclosure requirements of the ASX Listing Rules. The strategy highlights the requirements for immediate notification; the procedure for disclosing the information; those responsible for disclosing this information; and policy review details.

- **Shareholder Communications Strategy**

The Board of directors aims to ensure that shareholders are informed of all major developments. The Shareholder Communications Strategy adopted by the Board, outlines responsibilities for reports issued to shareholders; ASX announcements; Annual General Meetings; maintenance of the Company website; requests for information; and review of shareholder communications.

- **Risk Management Policy;**

The Board has adopted the Risk Management Policy, which outlines the Board's responsibility in identifying risk, maintaining the integrity of financial reporting, recognising the role of the auditor and reviewing the risk management policy.

- **Remuneration Committee Charter;**

The Board has adopted a Remuneration Committee Charter outlining the composition of the committee; its responsibilities; meeting requirements; reporting procedures; and duties of the committee.

- **Diversity Policy**

The Company will develop, implement and monitor strategies, initiatives and programs to promote the Principle, including the achievement of gender diversity and review and report in same.

- **Corporate Code of Conduct.**

The responsibilities of the Board include:

- protection and enhancement of shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;



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- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive Directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate, adopting with or without modification the ASX Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has considered the ASX Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company seeks to follow these recommendations for listed companies where appropriate for its size and operations. In cases where the Company determines it would be inappropriate to follow the principles because of its circumstances, the Company will provide reasons for not doing so in its annual report.

The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's nature of operations and size.

Principle / Recommendation	Requirement	Compliance	If not why not
Principle 1	Lay Solid Foundations for Management and Oversight		
Recommendation 1.1	Functions of the Board and Senior Executives	Yes	
Recommendation 1.2	Performance Evaluation of Senior Executives	Yes	
Recommendation 1.3	Reporting on Principle 1	Yes	
Principle 2	Structure the Board to Add Value		
Recommendation 2.1	Independent Directors	Yes	
Recommendation 2.2	Independent Chair	Yes	
Recommendation 2.3	Role of the Chair and CEO	Yes	
Recommendation 2.4	Establishment of Nomination Committee	No	The Company has only 4 directors and it is not considered necessary to separate this function from the full board at this time
Recommendation 2.5	Performance Evaluation Process	Yes	
Recommendation 2.6	Reporting on Principle 2	Yes	
Principle 3	Promote Ethical and Responsible Decision		

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	Making		
Recommendation 3.1	Directors' and Senior Executives' Code of Conduct	Yes	
Recommendation 3.2	Diversity Policy	Yes	
Recommendation 3.3	Diversity Policy Objectives	Yes	
Recommendation 3.4	Diversity Reporting	Yes	
Recommendation 3.5	Reporting on Principle 3	Yes	
Principle 4	Safeguard Integrity in Financial Reporting		
Recommendation 4.1	Establishment of Audit Committee	No	
Recommendation 4.2	Structure of Audit Committee	No	
Recommendation 4.3	Audit Committee Charter	No	
Recommendation 4.4	Reporting on Principle 4	No	
Principle 5	Make Timely and Balanced Disclosure		
Recommendation 5.1	Policy for Compliance with Continuous Disclosure	Yes	
Recommendation 5.2	Reporting on Principle 5	Yes	
Principle 6	Respect the Rights of Shareholders		
Recommendation 6.1	Communications Strategy	Yes	
Recommendation 6.2	Reporting on Principle 6	Yes	
Principle 7	Recognise and Manage Risk		
Recommendation 7.1	Policies on Risk Oversight and Management of Material Business Risks	Yes	
Recommendation 7.2	Attestations by CEO and CFO	Yes	
Recommendation 7.3	Risk Management and Internal Control	Yes	
Recommendation 7.4	Reporting on Principle 7	Yes	
Principle 8	Remunerate Fairly and Responsibly		
Recommendation 8.1	Establishment of Remuneration Committee	Yes	
Recommendation 8.2	Structure of Remuneration Committee	Yes	
Recommendation 8.3	Executive and Non-Executive Director Remuneration	Yes	
Recommendation 8.4	Reporting on Principle 8	Yes	

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