

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

BOARD CHARTER

Overview

This Charter sets out the framework for Consolidated Tin Mines Limited (the “Company”) under which the board of directors will operate and clarifies the respective roles and responsibilities of the board. The Charter will enable the board to guide the Company strategically, provide an effective level of control over management and facilitate the boards’ accountability to both the Company and its shareholders.

Role of the Board

The role of the board of directors is to provide strategic leadership to the Company, effective oversight of management and be accountable for the Company’s affairs.

The Board is accountable for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishment of goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board’s primary responsibility is to oversee the Company’s business activities and management for the benefit of the Company’s shareholders.

In performing its role, the board of directors should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company’s constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company’s corporate governance policies.

Responsibility of the Board

The specific responsibilities of the Board include:

- a) appointment, evaluation, rewarding and if necessary the removal of the Managing Director, and Chief Financial Officer and the Company Secretary;
- b) in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- c) establishing appropriate levels of delegation to the Managing Director to allow him to manage the business efficiently;

- d) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
- e) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- f) approval of the annual budget;
- g) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company;
- h) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- i) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- j) approving and monitoring financial and other reporting, including the annual and half-year financial reports;
- k) reviewing procedures and practices employed in relation to health, safety and the environment and assessing their adequacy;
- l) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- m) monitoring continuous disclosure policy and procedures;
- n) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct;
- o) approving the text of any public statement or release which contains or relates to financial forecasts or material which is significant as regards Company policy or strategy;
- p) convening and attending general meetings of the Company's shareholders;
- q) assessing and approving the Company's response to proposed transactions which would affect shareholders' positions and rights as shareholders, and where relevant making recommendations thereon to shareholders;
- r) implementing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company; and
- s) liaising with the Company's auditors.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities (usually not less than one per month).

The Board may from time to time, delegate some of its selective responsibilities listed above to its senior management team.

Board Composition and Delegation of Authority

Under the Company's constitution, the minimum number of directors is three and the maximum number is twenty. The Company has resolved that a board comprised of four directors will be appropriate in size and competence to properly understand and deal with the current and imminent issues, and the complexity of the business and operations of the Company.

Each director is bound by all of the Company's charters, policies and codes of conduct, including without limitation, the Company's share trading policy, continuous disclosure policy and the directors code of conduct.

If and when the board of directors determines it is appropriate or necessary, the board may establish committees to assist in carrying out various responsibilities of the board. The committees will act by examining the relevant issues and making recommendations to the board. Each such committee established will have a formal charter setting out its objectives, scope and manner of administration. The Board may also determine to establish ad hoc committees to which responsibilities will be delegated to examine specific issues.

The Board have delegated the carriage of the day to day operation and management of the Company's business to the Managing Director and the Managing Director is authorised, in turn, to delegate such of the powers conferred on him as he deems appropriate to members of the senior management group. The Board will approve and monitor all such delegations of authority from the Managing Director to senior management.

Director's Conflicts of Interest

Each director has an obligation to reach decisions which he or she believes to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest.

If the Board determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interest of any associated person, or his or her duties to any other company, and the interests of the Company or his or her duties to the Company, the Board will require that the director:

- a) fully and frankly inform the Board about the circumstances giving rise to the conflict; and
- b) (i) eliminate the conflict; OR
(ii) abstain from voting on any motion relating to the matter and absenting him or herself from all Board deliberations relating to the matter including receipt of board papers pertaining to the matter.

If the Board resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interest, the Board must minute the full details of the basis of the determination and the nature of the conflict, and must formally resolve to so permit the relevant director.

If a director believes he or she has or may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the chairperson.

Meetings

Where possible the board papers should be provided to the directors at least three days prior to the relevant meeting of the Board. The board papers will include an agenda, operations report and a financial report.

Each board meeting will allow for informal discussion between board members and the chairperson should arrange for, if necessary, the attendance at the meeting of any member of senior management responsible for a matter included as an agenda item.

Urgent matters that cannot wait until the next board meeting can be dealt with by a circular resolution, in accordance with the Company's constitution. A circular resolution should be approved by the chairperson before being circulated and should normally be preceded by a telephone meeting. A circular resolution must be signed by all the directors approving the resolution and will be entered in the minute book.

Independent Advice

A director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures set out below.

- a) A director must seek the prior approval of the chairperson.
- b) In seeking the prior approval of the chairperson, the director must provide the chairperson with details of the nature of the professional advice sought, the likely cost of seeking such independent professional advice and the details of the independent adviser he or she proposes to instruct.
- c) The chairperson may prescribe a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice.
- d) The chairperson must approve of the independent advisor nominated by the director.
- e) All documentation containing or seeking independent professional advice must clearly state that the advice is sought in relation to the Company and the director in his or her personal capacity.
- f) The chairperson may determine that any advice received by an individual director will be circulated to the remainder of the board.

The Chairperson

The chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for briefing of all Directors in relation to issues arising at Board Meetings.

The Managing Director

The Managing Director is responsible for managing the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his responsibilities the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational result.

Role and Responsibility of Management

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the board.

Management is responsible for reporting material matters in the first instance to the Managing Director or if the matter concerns the Managing Director then directly to the Chairperson.

Review of this Charter

- a) The chairperson of the Company will be the arbiter for interpretation and/or clarification of this Charter. Omissions should also be brought to the attention of the chairperson.
- b) This Charter is subject to amendment by the board. The board intends to review its terms periodically.

This Board Charter was adopted by the Consolidated Tin Mines Limited Board on 10th February 2009