

CONSOLIDATED TIN MINES LIMITED

ABN 57 126 634 606

CODE OF CONDUCT

This code of conduct aims to encourage the appropriate standards of conduct and behaviour of the Directors Officers and employees (collectively called the employees) of the Company and is based on a code of conduct prepared by the Australian Institute of Company Directors.

GENERAL PRINCIPLES

In accordance with legal requirements and agreed ethical standards, employees of the Company:

- a) must act honestly, in good faith and in the best interests of the Company as a whole;†
- b) have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment;†
- c) will use the powers of their position for a proper purpose, in the best interests of the Company and its shareholders as a whole;†
- d) must not take improper advantage of their position or Company property or use their position or such property for personal gain or to compete with the Company;†
- e) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;†
- f) have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code;†

The Company views breaches of this code as serious misconduct. Employees who have become aware of any breaches of this code must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Employees who breach the policies outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

DIRECTORS

The following additional comments apply to directors of the Company and aim to ensure directors have a clear understanding of the Company's expectations of their conduct.

1. *Fiduciary Duties*

All directors have a fiduciary relationship with the shareholders of the Company. A director occupies a unique position of trust with shareholders, which makes it unlawful for directors to improperly use their position to gain advantage for themselves.

2. *Duties of directors*

Each director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, directors need to devote sufficient time and effort to understand the Company's operations and

- a) will undertake diligent analysis of all proposals placed before the Board;
- b) will act with a level of skill expected from Directors and key executives of a publicly listed company;
- c) will demonstrate commercial reasonableness in decision making;
- d) will not make improper use of information acquired as Directors;*
- e) will not disclose non-public information except where disclosure is authorised or legally mandated;†
- f) will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- g) will protect and ensure the efficient use of the Company's assets for legitimate business purposes;†
- h) have an obligation to be independent in judgment and actions, and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;*
- i) will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- j) will not engage in conduct likely to bring discredit upon the Company;*
- k) will encourage fair dealing by all employees with the Company's suppliers, competitors and other employees;†
- l) will give their specific expertise generously to the Company

Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.

3. ***Conflict of interest***

At all times a director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a director or a director's family may conflict with those of the Company, then the director must immediately disclose such conflict and either:

- 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 participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as directors.

4. ***Insider trading***

Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price must not be used for any purpose other than valid Company requirements.

5. ***Managing Director***

It is the responsibility of the Managing Director to provide written assurances to the Board that in all material respects:

- a) the financial reports submitted to the Board represent a true and fair view of the Company's financial condition and operational results; and

- b) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

STAKEHOLDERS

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, customers and the general community.

The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development and application of its various products, and the provision of innovative customer and market focused solutions within the mining and related industries. This is achieved by:

- a) keeping the market informed of its exploration activities;
- b) actively progressing its exploration programmes; and
- c) seeking new opportunities in the vicinity of the project areas in which the Company holds tenement interests.

The Company is committed to conducting all its operations in a manner which:

- a) protects the health and safety of all employees, contractors and community members;
- b) recognises, values and rewards the individual contribution of each employee;
- c) achieves a balance between economic development, maintenance of the environment and social responsibility;
- d) maintains good relationships with suppliers and the local community; and
- e) is honest, lawful and moral.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

([†]From the *AICD Code of Conduct*)

([†]From the ASX Corporate Governance Council's *Principles of Good Corporate Governance*)

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