

BOARD CHARTER

1. Role of the Board

This Board Charter sets out the principles for the operation of the Board of Directors of Indophil Resources NL (the Company) in relation to the Board functions and the functions delegated to management of the Company.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the laws applicable to the Company and must act in the best interests of the shareholders of the Company.

This Board Charter and the charters adopted by the Board for the Committees established by the Board have been prepared and adopted on the basis that corporate governance and good governance procedures can add to the performance of the Company and the creation of shareholder value.

2. Responsibilities of the Board

The Board is responsible for protecting the rights and interests of shareholders and for the overall corporate governance of the Company. The responsibilities of the Board include:

2.1 Strategic and Financial Performance

- Assisting in developing and providing final approval for the corporate strategy and monitoring achievement of strategic objectives.
- Evaluating, approving and monitoring the strategic and financial plans of the Company.
- Evaluating, approving and monitoring the annual budgets (including financial and other reporting) and business plans.
- Evaluating, approving and monitoring the progress of major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Company.
- Appointment of the Chairperson of the Company.

2.2 Executive Management

- Appointing, monitoring, managing the performance of, and if necessary terminating, the employment of the Chief Executive Officer / Managing Director, and approving the performance evaluation and remuneration of Senior Executives.
- Managing succession planning for the positions of CEO/MD and such other key management positions which may be identified from time to time and ensuring that appropriate policies and procedures are in place for recruitment and remuneration.
- Liaising with the CEO/MD in relation to the appointment and termination of such key management positions which may be identified from time to time.
- Delegating the necessary authorities and ensuring appropriate resources are available to the CEO/MD and Senior Executives to deal with the day-to-day operational aspects of the Company.

2.3 Audit and Risk Management

- Reviewing, ratifying and monitoring the Company's risk and audit framework (including but not limited to) systems of risk management and internal control.
- Reviewing, ratifying and monitoring compliance with the Company's risk and audit policies and protocols.
- Reviewing, ratifying and monitoring the Company's operations in relation to, and in compliance with relevant regulatory and legal requirements.

2.4 Strategic Planning

- The Board will be actively and regularly involved in strategic planning and reviewing, developing and considering strategic planning issues.
- Strategic planning will be based on the identification of opportunities and the full range of business risks that will determine which of those opportunities may be worth pursuing.
- On an ongoing basis, the Board will review with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

2.5 Corporate Governance

- The Board must review and approve all disclosures which may be related to any departures from the ASX principles of good corporate governance.
- The Board must review and approve the disclosure of any of the Company's policies and procedures to the general public.
- The Board must approve the public disclosure of all matters that the ASX best practice recommendations recommend be publicly disclosed consistent with the Continuous Disclosure Policy approved by the Board.
- The Board will establish, appoint Directors to and monitor the performance and reporting of Committees of the Board.

3. Structure of the Board

3.1 Overview

The Board determines the size and composition of the Board subject to the terms of the Constitution of the Company. A majority of the Board should be independent directors.

The Directors appoint the Chairperson of the Board who is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chairperson is also responsible for arranging Board performance evaluation.

The Company recognises that it is important that the Chairperson and the Managing Director have defined roles in the organisation and act in accordance with clear functional lines.

3.2 Directors

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board will take into account the skills and experience required, in the context of the Company's operations and activities from time to time. The Board will apply the criteria set out in the ASX Principles of Good Corporate Governance and Best Practice Recommendations in determining director independence.

The Directors are also bound by the Company's Committee Charters, Code of Conduct, Share Trading and Continuous Disclosure Policies (all as amended from time to time).

The Directors of the Company shall:

- conduct their duties at a high level of honesty and integrity, whilst observing the law and complying with applicable standards;

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- maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
 - observe the principles of independence, accuracy and integrity in dealings with the Board, Board Committees, internal and external auditors and senior management within the Company;
 - disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the Director becomes aware and which the Director reasonably believes may compromise the reputation or performance of the Company; and
 - set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of Director.

3.3 Meetings

The Board will hold meetings in line with an approved annual schedule. Additionally, the Board will meet as required to deal with urgent matters.

The Chairperson and the Managing Director will ensure any member of the executive management team will be available to attend a meeting by invitation if responsible for a particular agenda item.

The Company Secretary (in consultation with the Chairperson and Managing Director) will prepare and distribute an agenda for each meeting. The agenda will include the following standard items:

- a) approval of minutes from previous meeting;
- b) Managing Director's report;
- c) Audit Committee report (if conducted since previous Board meeting);
- d) Remuneration Committee report (if conducted since previous Board meeting); and
- e) Continuous disclosure and risk matters.

3.4 Nominations

The Board will consider the necessary and desirable competencies of any Director or proposed Directors in relation to selection, appointment or re-appointment to the Board.

Directors are selected by their background and experience which is relevant to the business needs of the Company. New Directors are invited to join the Board by the Chairperson and approved by the Board.

3.5 Independence

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the required skills and experience required, in the context of the Company's operations and activities from time to time. In determining whether or not the Directors are independent, the Board applies the criteria as set out in the ASX Corporate Governance Principles and Recommendations.

4. Chairperson and Managing Director

4.1 Company Chairperson

The Company has appointed an independent non-executive Chairperson. The Chairperson will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company. The Chairperson will:

- a) chair Board meetings;
- b) establish the agenda for Board meetings, in consultation with the Managing Director and Company Secretary;
- c) chair meetings of members, including the annual general meeting of the Company;
- d) be the primary channel of communication and point of contact between the Board (and individual Directors) and the Managing Director;
- e) provide guidance to the Managing Director; and
- f) chair the Managing Director evaluation process by the Board.

4.2 Managing Director

The Managing Director has primary responsibility for running the affairs of the Company under delegated authority from the Board and will:

- a) develop with the Board, implement and monitor the strategic and financial plans for the Company, its policies, the annual budgets and business plans, major capital expenditure, capital management and all major corporate transactions, including the issue of any securities of the Company;
- b) manage the appointment, remuneration and termination of senior executive positions;
- c) develop, implement and monitor the Company's risk and audit management framework;
- d) consult with the Chairperson and the Company Secretary in relation to establishing the agenda for Board meetings as well as all matters of significance;
- e) in consultation with the Company Secretary consider and approve all disclosures of information to the ASX in accordance with the Continuous Disclosure Policy of the Company;
- f) be the primary channel of communication and point of contact between the executive management and the Board (and Directors);
- g) keep the Chairperson fully informed of all material matters which may be relevant to the Board, in their capacity as Directors of the Company;
- h) provide strong leadership to, and effective management of, the Company;
- i) ensure that the Company has regard to the interests of employees and customers of the Company and the community and environment in which the Company operates; and
- j) otherwise carry out the day-to-day management of the Company.

5. Confidential Information

The Board has established the following principles to apply in respect of information of the Company:

- a) the Board will approve the nature of any information to be disclosed to any third party and the manner in which such information can be disclosed; and
- b) all Directors, including any Directors nominated by a shareholder, are required to keep all information provided to them as a Director confidential;

and to implement the policies and strategy set by the Board. To assist the Board in carrying out its responsibilities, the Managing Director must report to the Board in a timely manner and ensure that all reports to the Board present a true and fair view of the Company's financial condition and operational results.

6. Conflicts of Interest

The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, and free of conflicts of interest.

If a Director considers that he or she might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board requires that the Director:

- a) fully and frankly inform the Board about the circumstances giving rise to the actual or potential conflict; and
- b) if such conflict is a material personal interest, abstains from voting on any motion relating to the matter and absenting from all Board deliberations relating to the matter including receipt of Board papers bearing on the matter.

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

Directors are expected to inform the Chairperson of any proposed appointment to the board or executive of another company as soon as practicable.

7. Board Committees

In order to fulfil its duties, the Board has established Audit and Remuneration Committees.

The Committees will comprise non-executive Directors (where possible) and will be chaired by an independent non-executive Director.

The Committees will meet six monthly or more frequently as required.

The Board will consider and approve the charters of the Committees that it may establish from time to time. These charters will identify the areas in which the Board will be assisted by each respective Committee.

The Board may delegate initial responsibilities to the appropriate Board Committee (eg. Audit and Remuneration), however, final authority and responsibility will remain with the Board.

8. Independent Advice

Subject to Board approval, 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. Any advice received shall be circulated to the Board of Directors.

9. Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The fees are fixed and no remuneration is tied to the Company's performance. The fees are subject to the ASX Listing Rule and Corporations Act requirements.

10. Performance Review

The Board undertakes ongoing self assessment and review of the performance of the Board, Committees and individual Directors annually, to ensure effective operation.

11. Risk Management

The Board maintains overall responsibility for risk oversight and management. The Board has in place processes, policies and procedures designed to identify and manage significant business risks. The Board has delegated day-to-day responsibility for risk oversight to the CEO/MD. The Board considers risk matters as a standing item at Board meetings.

12. Continuous Disclosure

The Board maintains a policy of continuous disclosure obligations of the Company under the ASX Listing Rules. Implementation of the policy is overseen by the Company Secretary and the Board considers continuous disclosure as a standing item at Board meetings.

13. Communication of Information

The Board will ensure that there is effective communication between shareholders and the Company. The Board will also provide shareholders with ready access to relevant and timely information about the Company and ensure it is feasible for shareholders to participate in general meetings.

14. Code of Conduct

The Board has adopted a Code of Conduct for Directors, Senior Executives and employees to ensure a high standard of business conduct and ethics.