



HORSESHOE METALS
LIMITED

**CORPORATE GOVERNANCE
POLICIES AND PROCEDURES MANUAL**

ADOPTED 21 JUNE 2011

INTRODUCTION	1
ASX'S EIGHT CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS	2
1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	2
2. STRUCTURE THE BOARD TO ADD VALUE	2
3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING.....	2
4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	3
5. MAKE TIMELY AND BALANCED DISCLOSURE	3
6. RESPECT THE RIGHTS OF SHAREHOLDERS	3
7. RECOGNISE AND MANAGE RISK	3
8. REMUNERATE FAIRLY AND RESPONSIBLY	4
LIST OF ADOPTED CHARTERS & POLICIES	5
BOARD CHARTER	6
AUDIT COMMITTEE CHARTER	8
REMUNERATION COMMITTEE CHARTER	10
NOMINATION COMMITTEE CHARTER	12
CODE OF CONDUCT	13
CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVES	20
SECURITIES TRADING POLICY	21
RISK MANAGEMENT POLICY	27
SHAREHOLDER COMMUNICATION POLICY	29
CONTINUOUS DISCLOSURE POLICY	30
DIVERSITY POLICY	32
DIRECTORS INDEPENDENCE QUESTIONNAIRE	35

INTRODUCTION

In fulfilling its obligation and responsibilities to its various stakeholders, the Board of directors of the Company (**Board**) advocates the adoption of and adherence to a framework of rules, relationships systems and processes within and by which authority is exercised and controlled within the corporation. This manual outlines the Company's principal corporate governance procedures. The Board supports a system of corporate governance to ensure that the management of the Company is conducted in a manner which is directed at achieving the Company's objectives in a proper and ethical manner.

The Australian Securities Exchange (**ASX**) Corporate Governance Council published its Corporate Governance Principles and Recommendations in March 2003. In August 2007 it published its first revision (2nd Edition of) the Corporate Governance Principles and Recommendations. On 30 June 2010, the ASX Corporate Governance Council released amendments to the 2nd edition of the Corporate Governance Principles and Recommendations in relation to diversity, remuneration, trading policies and briefings. The Corporate Governance Principles and Recommendations with 2010 Amendments will apply to listed entities from 1 January 2011. The document, at the time of this manual being reviewed, appeared on the ASX website: www.asx.com.au.

Commencing at page 3 of this manual is a summary of the eight revised corporate governance principles and recommendations (**ASX Recommendations**).

Except to the extent indicated in the Company's Annual Report, the Company has resolved that for so long as it is admitted to the official list of the ASX it shall abide by the ASX Recommendations.

These policies have been adopted on the basis that, in the circumstances of the Company, they reflect what is considered to reflect reasonable aspiration. Their object is to focus attention upon the issues they address and create awareness of those issues and the pitfalls that one could otherwise fall into inadvertently. This is to develop a culture conducive to good practices. Adhering to the following policies is a condition of each contract of employment.

The Board encourages all key management personnel, other employees, contractors and other stakeholders to monitor compliance with this Corporate Governance manual, especially in relation to observable departures from the intent of the policies. Suggestions for improvements or amendments to this Corporate Governance manual can be made at any time by providing a written note to the Company Secretary who will table it with the board for consideration if necessary.

ASX'S EIGHT CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Companies should establish and disclose the respective roles and responsibilities of Board and management

Recommendations

- 1.1. Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.
- 1.2. Companies should disclose the process for evaluating the performance of senior executives.
- 1.3. Companies should provide the information indicated in the Guide to Reporting on Principle 1.

2. STRUCTURE THE BOARD TO ADD VALUE

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

Recommendations

- 2.1. A majority of the Board should be independent directors.
- 2.2. The chair should be an independent director.
- 2.3. The roles of the chair and chief executive officer (or equivalent) should not be exercised by the same individual.
- 2.4. The Board should establish a nomination committee.
- 2.5. Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.
- 2.6. Companies should provide the information indicated in Guide to Reporting on Principle 2.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Companies should actively promote ethical and responsible decision-making.

Recommendations

- 3.1. Companies should establish a Code of Conduct and disclose the code or a summary of the code as to:
 - the practices necessary to maintain confidence in the Company's integrity;
 - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- 3.2. Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.
- 3.3. Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.
- 3.4. Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

3.5. Companies should provide the information indicated in Guide to Reporting on Principle 3.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

Recommendations

4.1. The Board should establish an Audit Committee.

4.2. The Audit Committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the Board;
- has at least three members.

4.3. The Audit Committee should have a formal charter

4.4. Companies should provide the information indicated in Guide to Reporting on Principle 4.

5. MAKE TIMELY AND BALANCED DISCLOSURE

Companies should promote timely and balanced disclosure of all material matters concerning the Company.

Recommendations

5.1. Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

5.2. Companies should provide the information indicated in the Guide to Reporting on Principle 5.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Recommendations

6.1. Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

6.2. Companies should provide the information indicated in the Guide to Reporting on Principle 6.

7. RECOGNISE AND MANAGE RISK

Companies should establish a sound system of risk oversight and management and internal control.

Recommendations

7.1. Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

7.2. The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those

risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

7.3. The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

7.4. Companies should provide the information indicated in Guide to Reporting on Principle 7.

8. REMUNERATE FAIRLY AND RESPONSIBLY

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Recommendations

8.1. The Board should establish a Remuneration Committee.

8.2. The Remuneration Committee should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director;
- has at least three members.

8.3. Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

8.4. Companies should provide the information indicated in Guide to Reporting on Principle 8.

LIST OF ADOPTED CHARTERS & POLICIES

The Company has adopted the following Charters, Policies and Rules which have been or are to be placed on its website:

1. Board Charter
2. Audit Committee Charter
3. Remuneration Committee Charter
4. Nomination Committee Charter
5. Corporate Code of Conduct
6. Code of Conduct for Directors and Executives
7. Securities Trading Policy
8. Risk Management Policy
9. Shareholder Communication Policy
10. Continuous Disclosure Policy
11. Diversity Policy
12. Directors Independence Questionnaire

These charters, policies and rules are to be reviewed annually for audit compliance and to identify any changes required.

The Company Secretary is to maintain (and submit to the Board for adoption) compliance checklists to assist instill the culture contemplated by and compliance with this.

BOARD CHARTER

1. ROLE

The Board's primary role is to represent shareholders and to promote and protect the interests of The Company Limited by governing the Company.

2. COMPOSITION

It is a priority of the Board to achieve an appropriate balance between independent and non-independent representation on the Board. 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 directors are independent, the Board applies the criteria as set out in the ASX recommendations by requiring each director to complete a Director's Independence Questionnaire.

Where the Chair is not an independent director, the Company will appoint a lead independent director if it is practicable to do so. The lead independent director will take over the role of the Chair when the Chair is unable to act in that capacity as a result of his or her lack of independence.

The independent directors, along with all directors, are responsible for reviewing and challenging executive performance. They are also responsible for contributing to the development of strategy.

The Board considers that a director is an executive if that director is involved in the day to day management of the Company.

3. RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

To fulfill its role the Board is responsible for:

- overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;
- overseeing the activities of the Company, including its control and accountability systems;
- appointing and removing the Managing Director, Company Secretary, and other senior executives, evaluating their performance, reviewing their remuneration and ensuring an appropriate succession plan;
- setting the strategic objectives of the Company and monitoring its progress against those objectives;
- reviewing, ratifying and monitoring systems of risk management and internal control;
- setting the operational and financial objectives and goals for the Company;
- ensuring that there are effective corporate governance policies and practices in place; approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market;
- appointment of external auditors and principal professional advisors; and
- formal determinations that are required by the Company's constitutional documents or by law or other external regulation.

These responsibilities are designed to provide strategic guidance for the Company and effective oversight management.

Beyond those matters, the Board has delegated all authority to the Managing Director for management of the Company's business within any limits imposed by the Board.

4. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

The Chair

The Chair is responsible for leadership of the Board, the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to the issues arising at Board meetings. The Chair is also responsible for monitoring shareholder communication, continuous disclosure compliance and Board performance.

The Managing Director

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out those 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 results.

5. PROCESS FOR EVALUATING BOARD PERFORMANCE

The Board may undergo periodic formal assessment processes, including assessment of the Board's committees, where applicable. An independent third party consultant may be used to facilitate the assessment.

The assessment process which may be used by the Board requires each director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided direct to the consultant, with the results in aggregate then being communicated to the Chair of the Board. The Board as a whole then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole.

The Chair of the Board may also meet individually with each Board member to discuss their performance.

6. ACCESS TO INDEPENDENT ADVICE

Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs of that advice from the Company.

The advice shall only be sought after consultation about the matter with the Chair (where it is reasonable that the Chair be consulted) or, if it is the Chair that wishes to seek the advice or it is unreasonable that he is consulted, another director.

The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

AUDIT COMMITTEE CHARTER

1. COMPOSITION

An Audit Committee is to be maintained comprising at least two non-executive directors with at least one director also being independent, if possible.

The Audit Committee should be of sufficient size, independence and technical expertise to discharge its mandate effectively.

The Audit Committee will appoint a Secretary to the Committee.

2. ROLE

The role of the Audit Committee is to safeguard the integrity of the Company's financial reporting and oversee the independence of the external auditors.

3. OPERATIONS

The committee is to meet at least annually and otherwise as required. Minutes of all meetings of the committee are to be kept.

4. RESPONSIBILITIES

The charter of the Audit Committee is to:

- review the annual, half-year and concise (if any) financial reports and other financial information distributed externally, including new accounting policies to ensure compliance with International Accounting Standards and generally accepted accounting principles;
- monitor corporate risk assessment processes;
- consider whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor is to provide an annual declaration of independence;
- review the nomination and performance of the external auditor;
- monitor the establishment of appropriate ethical standards;
- monitor the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements;
- address any matters outstanding with auditors, Australian Taxation Office (ATO), Australian Securities and Investments Commission (ASIC), ASX Limited (ASX) and financial institutions;
- review the performance of the external auditors on an annual basis and meets with them during the year as follows:
 - to discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
 - to review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings;
 - recommend Board approval of these documents and to finalise half-year and annual reporting;
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made
- review the draft financial report and recommend Board approval of the financial report;

- organise, review and report as required on any special reviews or investigations deemed necessary by the Board.

REMUNERATION COMMITTEE CHARTER

1. COMPOSITION

A Remuneration Committee is to be maintained comprising at least two persons, one of whom must be a director. The composition of the Remuneration Committee can vary to accommodate the requirement that a director must not sit on the committee to consider that director's remuneration.

The Remuneration Committee may seek input from senior executives on remuneration policies, but no senior executive should be directly involved in deciding their own remuneration.

The Company Secretary shall be the secretary of the Remuneration Committee.

2. OPERATIONS

Remuneration Committee meetings will be held not less than once a year to enable the committee to undertake its role effectively.

3. ROLE

The function of the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

1. remuneration packages of senior executives (including directors);
2. employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed;
3. recruitment, retention and termination policies and procedures for senior executives; and
4. superannuation arrangements.

When reviewing remuneration packages of senior executives (including directors), the Committee shall include a comparative review of the packages by gender.

The Remuneration Committee is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Remuneration Committee.

The Remuneration Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Remuneration Committee if it considers this necessary.

The Remuneration Committee is required to make recommendations to the Board on all matters within the Remuneration Committee's charter. When making its recommendations, the Remuneration Committee should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.

4. REPORTING PROCEDURES

The committee is to meet at least annually and otherwise as required. Minutes of all meetings of the committee are to be kept.

5. RESPONSIBILITIES

The duties of the Remuneration Committee are to:

1. assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
2. assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;

3. obtain the best possible advice in establishing salary levels;
4. set policies for senior executives' remuneration;
5. review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
6. review recommendations from the Managing Director relating to proposed merit increases;
7. propose, for full Board approval, the terms and conditions of employment for the Managing Director;
8. undertake a review, which will be reported to and confirmed by the full Board, of the Managing Director's performance, at least annually, including setting the Managing Director goals for the coming year and reviewing progress in achieving those goals;
9. review, and report to the Board, recommendations from the Managing Director on each senior executive's performance evaluations;
10. set the criteria for negotiating any enterprise bargain agreement;
11. review the Company's recruitment, retention and termination policies and procedures for senior management;
12. review and make recommendations to the Board on the Company's incentive schemes;
13. review and make recommendations to the Board on the Company's superannuation arrangements;
and
14. review the remuneration of both executive and non-executive Directors and make recommendations to the Board on any proposed changes.

NOMINATION COMMITTEE CHARTER

1. COMPOSITION

The full Board carries out the duties that would normally fall to the Nomination Committee

2. ROLE

The role of the Nomination Committee is to identify and recommend candidates to fill casual vacancies and to determine the appropriateness of director nominees for election to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals.

3. OPERATIONS

The committee is to meet at least annually and otherwise as required. Minutes of all meetings of the committee are to be kept.

4. RESPONSIBILITIES

The responsibilities of the Nomination Committee are:

- to implement processes to assess the necessary and desirable competencies of Board members including, experience, expertise, skills and performance of the Board and its committees;
- to provide new directors with an induction to the Company;
- to provide all directors with access to ongoing education relevant to their position in the Company;
- provide a succession plan for directors and the Managing Director in order to maintain an appropriate mix of skills, experience, expertise and diversity on the Board;
- evaluate the performance of the Managing Director;
- review time required for non-executive directors to perform their duties;
- annually evaluate the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of shareholders;
- before recommending an incumbent, replacement or additional director, review his or her qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors and record that review and recommendation in the minutes;
- assist in identifying, interviewing and recruiting candidates for the Board including reviewing whether professional intermediaries should be used to identify candidates;
- annually review and report to the Board on the proportion of women at all levels of the Company;
- annually review the composition of each committee and present recommendations for committee memberships to the Board as needed.

CORPORATE CODE OF CONDUCT

A. SCOPE

This Code applies to Horseshoe Metals Limited (“the Company”) and all of its subsidiaries. This Code also applies to all of the Company’s affiliates who have adopted it in accordance with requirements agreed directly with the Company’s Board of Directors or under the terms and conditions of their Contract or Agreement to supply goods and/or services to the Company. Accordingly, this Code will refer to Horseshoe Metals Limited and its affiliates as “the Company”.

For the purposes of this Code, affiliates will include consultants, contractors, and employees working under contract.

This Code is not intended to provide specific answers to unique legal questions or to create legal rights or duties, or to set standards of conduct enforceable against the Company. It is intended merely to provide broad principles to guide the conduct of the Company employees, officers and directors so that the company's business ethics will meet or exceed legally applicable standards.

B. PURPOSE

This Code of Ethics and Conduct (the “Code”) reaffirms the high standards of business conduct required of all employees, officers and directors of the Company. The Code has been created as part of the Company's continuing effort to ensure that it complies with all applicable laws (whether in its home Dominion of Australia or other countries in which the Company conducts its business), to ensure that it has an effective program to prevent and detect violations of law, and for the education and training of employees, officers and directors. In most circumstances, this Code sets standards that are higher than the law requires. The Company's adherence to this Code will help to preserve the confidence and support of the Company's various stockholders, and support the Company's policies for Sustainable Development.

C. THE ROLE OF SHERGAR EMPLOYEES, OFFICERS AND DIRECTORS

While there is no substitute for common sense, this Code has been created to provide the Company employees, officers and directors with guidance on how to conduct the Company's business, and to help identify issues that require technical expertise. Any the Company employee, officer or director having a question or doubt as to what the proper course of conduct should be in any given situation should consult the senior manager on site or at the corporate office.

(1) Conflict of Interest

A conflict of interest occurs when an individual's private interest interferes – or even appears to interfere – with the interests of the Company as a whole. Conflicts of interest, potential conflicts of interest and even the appearance of a conflict of interest must be avoided due to the potential for injury to the Company or its reputation. Employees, officers and directors should avoid situations involving a conflict or the appearance of conflict between their duty to the Company and their own self-interest. the Company's business must be conducted solely for the best interests of the Company, in an honest and ethical manner. No employee, officer or director may, directly or indirectly, use his or her decision-making authority or position to obtain a personal benefit from any sale, purchase or other activity of the Company. Among the most common situations that create such conflicts of interest are accepting gifts or gratuities from customers or suppliers, employment by another company while continuing to be an employee of the Company, ownership of a part of another company or business that has interests adverse to the Company's or an interest in the Company, close or family relationships with suppliers or competitors, and improper communications with competitors or with suppliers regarding bids for contracts, and providing “inside” information to the market, shareholders, investors or analysts. For clarity, a "Supplier" includes not only vendors providing services and material to the Company, but also consultants, financial institutions, advisors, and any other person or institution that does business with the Company.

Where there is any doubt or uncertainty, these types of situations must be reported to senior management before being entered into. Additionally, as a general policy, individuals should not do business on behalf of the Company with a close personal friend or relative. If such transactions cannot reasonably be avoided, they must first be approved by the Company management. An employee's supervisor can assist in obtaining the necessary approval. An officer or director should seek such approval from the CEO/Managing Director.

Furthermore, a potential conflict of interest exists for individuals whose responsibilities allow them to give preferential treatment to a supplier or customer in exchange for anything of personal benefit to themselves or to their friends or families. Such situations could interfere with an individual's ability to make judgments solely in the Company's best interest; thus they create the appearance of a conflict of interest. Under no circumstances should a gift, entertainment, travel benefit, preferential discount, free service, or any form of non monetary "in kind" benefit or "freebie" be accepted that might influence a the Company employee's, officer's or director's judgment. Thus, individuals (and members of their families) may not solicit or accept from an actual or prospective customer or supplier any compensation, advance or loan (except from established financial institutions on the same basis as the institution's other customers), gift, entertainment or other favour that is of more than token value or for which individuals would not normally be in a position to reciprocate under normal expense account procedures. In particular, individuals must avoid any interest in or benefit from any supplier that could reasonably be interpreted as inducing favouritism towards that supplier over others. It is a violation of this Code for any individual to solicit or encourage a supplier to give any item, service or benefit to the individual regardless of its value, no matter how small. The Company's suppliers will retain their confidence in the objectivity and integrity of the Company only if each individual strictly observes this Code.

An employee, officer or director who receives, or whose family member receives, an unsolicited gift or benefit prohibited by this Code should report it to the Company through senior management and either return it to the person making the gift or other similar appropriate action. Entertainment, services and "in kind" benefits offered by a supplier or customer may be accepted by an individual when they are associated with a business meeting and the supplier or customer provides them to others as a normal part of its business. Examples of such entertainment, services and "in kind" benefits are transportation to and from the suppliers' or customers' place of business, hospitality suites, golf or sporting outings and business meals for visitors to the suppliers' or customers' location. Where any entertainment, services and "in kind" benefits offered by a supplier or customer is outside or exceeds the parameters detailed in the preceding paragraph, the recipient must obtain approval from his/her line manager and the approval form must be forwarded to the Managing Director's Personal Assistant who will enter the approval into the Company's Pecuniary Interests Register.

(2) Confidential Information

"Confidential information" includes all information concerning the Company that is not already known to the public. It includes any non-public information relating to technology the Company creates or uses; how the Company conducts its business – it's plans, strategies, and opportunities; private information relating to the Company's customers and employees, and other persons such as consultants, contractors or companies; any information concerning the trading or exercising of securities of the Company or any other company obtained by virtue of the individual's position. the Company's confidential information is valuable property that must be protected like other the Company property. Such information should only be shared with employees, officers and directors within the same the Company entity with a need to know. Furthermore, some information may be confidential information belonging to a specific the Company subsidiary or affiliate. Accordingly, confidential information may not be shared between the Company entities (including between employees of different the Company entities) until the Company Secretary has been notified and, if necessary, a confidentiality agreement between the entities is put in place to deal with the specific need at the time.

Confidential information must not be used for personal gain, and may not be disclosed except as a part of the business of the Company. This is true regardless of the nature of the information or the manner in which the information is acquired. Various laws and the Company policy protect the integrity of the Company's confidential information. It is important to realize that even though information may be intangible or may not be specifically identified as confidential, it still must not be disclosed if it might reasonably be deemed as confidential or secret. If there is a business need to share such information with third parties, including contractors or consultants, please contact the Company Secretary prior to sharing the information.

Employees, officers and directors must not use improper means (such as industrial espionage, trespassing or deception) to seek out, accept or use confidential information belonging to the Company or to third parties. The Company must neither accept nor solicit confidential information from a new employee, or hire someone for the purpose of obtaining confidential information from the new employee. When a Company employee leaves the Company to work elsewhere, the employee may not remove, disclose or use the Company's confidential information.

The Company may legitimately obtain confidential information from other entities, individuals, suppliers or potential suppliers in connection with production, project evaluation or other business activities. Normally

this will be accompanied by a confidentiality agreement that specifically identifies the confidential information and how the Company may use it. Strict compliance with those limitations is required. the Company's confidential information includes (but is not limited to):

- (a) Financial results, other than those which have been disclosed publicly to the Australian Securities Exchange;
- (b) Profit forecasts;
- (c) Proposed share issues;
- (d) Borrowings or credit arrangements;
- (e) Impending takeovers, acquisitions, mergers, reconstructions;
- (f) Litigation;
- (g) Significant changes in operations;
- (h) New exploration strategies or discoveries;
- (i) Liquidity;
- (j) Major purchases or sales of assets;
- (k) Management or corporate restructuring;
- (l) The undertaking of entry into major contracts or arrangements.

(3) Securities Transactions and Disclosure

Although the Company employees are encouraged to become shareholders in the Company's business, trading in the Company stock, or the stock of any other associated or affiliated company, based on material information that has not been disclosed to the public, or divulging such information to others so that they may trade in such stock, is a particularly important misuse of confidential information. Such activity, also known as insider trading, is prohibited and may result in the prosecution of anyone involved. Trading in the Company shares or securities is restricted at certain times. When "share trading windows" are closed, the Company Secretary will post a "Share Trading Window Closure Notice to the Company's Intranet and will distribute the notice to all employees and directors via email.

As an example, such closure periods may include (but not be limited to):

- (a) Within one month prior to the date of release of the Company's half year results to the Australian Securities Exchange;
- (b) 14 days immediately prior to the release of each of the Company's quarterly activities reports until the close of business on the second working day after its release. In the case of the quarter ending on the last day of the Company's financial year, the blackout period ceases on the close of business on the second business day after which the Company releases its annual results or preliminary annual results, as the case maybe;
- (c) 14 days immediately prior to the Company's Annual General Meeting; and
- (d) Where the Company is aware of a pending substantial change which will may or may not ultimately warrant the suspension of trading, the Company Secretary will close the window as soon as he/she is aware.

Employees and directors must declare any security transaction (trading, purchasing or selling of the Company shares, exercising options etc) and those of any affiliated interests (close associate, family member, personal superannuation fund etc). The declaration must be made within seven (7) days of the transaction and must be forwarded to the Company Secretary. Any person who is uncertain whether information he or she has about the Company or any other company might be considered material or confidential should check with the Company Secretary before buying or selling the stock of the Company or such other company.

(4) The Company's Assets

Cash and Bank Accounts

All cash, bank account and corporate credit card transactions must be handled so as to avoid any question or suspicion of impropriety. When considering gifts and gratuities, employees of financial institutions should be treated as if they were government employees, i.e., never give a banker anything of value that could be associated with a financial transaction. All transactions, including cash transactions, must be recorded in the Company's books of account. All accounts of Company funds must be established and maintained in the name of the Company (or an appropriate subsidiary or authorized individual) and may be opened or closed only upon the authority of the Company's board of directors or specified officers. No funds may be maintained in the form of cash, except authorized petty cash, and no the Company funds may be maintained in an anonymous (numbered) account at any bank. Payments into numbered bank accounts by the Company may leave the Company open to suspicion of participation in a possibly improper

transaction. Therefore, no disbursements of any nature may be made into numbered bank accounts or other accounts not clearly identified as to their ownership.

No payments may be made in cash other than regular, approved cash payrolls and normal disbursements from petty cash supported by signed receipts or other appropriate documentation. Further, corporate cheques may not be written to "cash," or for purchase of cashier's cheques not specifically identified as to account and payee, except with the specific written approval of the Chief Financial Officer, when cash or cash equivalent payments are required under local law. Foreign banking laws often differ from those in Australia. The Company may not take advantage of foreign banking laws (such as bank secrecy laws) to avoid Australian banking laws. On the other hand, the Company must also comply with the laws of foreign jurisdictions in which it operates. If any question arises as to the propriety of a banking relationship, seek guidance from the Chief Financial Officer.

The Company Assets and Transactions

All employees, officers and directors have a duty to protect the Company's assets and ensure their efficient use. All transactions must be accurately and fairly recorded in reasonable detail in the Company's accounting records. Individuals having control over Company assets and transactions are expected to handle them with the strictest integrity and ensure that all transactions are executed in accordance with management's authorization. Employees, officers and directors are personally accountable for the Company funds over which they have control. Individuals who spend the Company funds should ensure the Company receives good value in return and must maintain accurate records of such expenditures. Individuals who approve or certify the correctness of a bill or voucher should know that the purchase and amount are proper and correct. Obtaining or creating false invoices or other misleading documentation or the invention or use of fictitious sales, purchases, services, loans, entities or other financial arrangements is prohibited.

Corporate Opportunities

Employees, officers and directors are prohibited from:

- (a) taking for themselves personal opportunities that are discovered through the use of the Company property, information or position;
- (b) using corporate property, information or position for personal gain; and
- (c) competing with the Company.

Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Software

The Company licenses the use of computer software from a variety of vendors. The Company does not own the software or its documentation. Software is normally copyrighted, and no individual may copy or distribute the software unless expressly permitted to do so under the applicable license. Doing so would violate the license and subject the individual and potentially the Company to exposure to substantial penalties.

Expense Reimbursement

All expenses must be detailed on expense reports consistent with the Company's business expense reimbursement policy.

Exports

Exports of equipment, technology, software and technical data are regulated by various different countries including Australia. Many people do not realize that the carrying of an item on an overseas trip where the item is not for sale constitutes an export that may require a license. Similarly, sharing information with other individuals in foreign countries via e-mail or regular mail, even if you are not intending to do anything more than have someone review the material and comment on it, may require a license. Likewise, the shipment of the Company equipment to a Company project outside of the country of origin may require a license. The broad scope of these regulations, and the relatively low level of technology of the equipment, hardware, software and technical information that is regulated, is often misunderstood. Questions and requests for assistance in this area should be directed to the Company Secretary.

Fraudulent or Dishonest Conduct

The Company's interests are never furthered by the fraudulent or illegal conduct of its employees, officers or directors. The Company expects its employees, officers and directors to deal fairly and honestly with all persons with whom the Company does business, so as to maintain its reputation for integrity in all its business relationships. Under no circumstances should an employee, officer or director offer any false, fictitious or fraudulent information, report or claim to another person, or take unfair advantage of anyone through inappropriate manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other similar practice. Further, the use of fraudulent or illegal tactics (including trespass on lands owned by others or the offering of bribes) by employees, officers, directors or agents of the Company is prohibited.

Financial Reporting

Because the Company is a publicly listed Australian company, it is of critical importance that the Company's public disclosures, including filings with the Australian Securities Exchange and Australian Securities and Investments Commission be complete, fair, accurate, timely and understandable. Depending on his or her position with the Company, an employee, officer or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company requires that all employees, officers and directors provide prompt, accurate and complete answers to all inquiries relating to public disclosure requirements.

The Company must comply with extensive and complex accounting requirements in both public and taxation reporting. To meet these requirements, the Company must rely upon each individual's truthfulness in accounting practices. All books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform to legal requirements and the Company's system of internal controls. There should be no unrecorded or "off the books" funds, assets or transactions unless permitted by law and disclosed to and approved by senior management. Any evidence of fraud or significant deficiencies in the design or operation of internal financial controls should be brought to the attention of the Chief Financial Officer. No employee, officer or director should take any action intended to improperly influence the Company's auditors or the conduct of the Company's audits for the purpose of rendering the Company's financial statements misleading.

Illegal and Dangerous Conduct

Illegal activities on the Company premises or while on the Company business will not be condoned and can result in disciplinary action. In addition to following all applicable laws, the Company employees, officers and directors are expected to follow Company policies and use common sense while on the Company's premises and while on the Company business. The following illustrates activities that are against Company policy, and which will not be tolerated on the Company premises, in the Company vehicles or while engaged in Company business:

- (a) Consumption and storage of alcoholic beverages, except where authorized by an officer of the Company and otherwise legally permitted.
- (b) The unlawful manufacture, distribution, dispensation, possession, transfer, sale, purchase or usage of a controlled substance, such as illegal drugs.
- (c) Driving vehicles or operating Company equipment while under the influence of alcohol or controlled substances.
- (d) Illegal betting or gambling.
- (e) The possession of weapons of any sort on the Company premises, in the Company vehicles or while on Company business, except by security or other personnel who are authorized by the Company.
- (f) Inappropriate use of the Company's IT system for the transmission and/or storage and use of material, images or media which is illegal or contravenes the Company's IT Policy.

The Company reserves the right to inspect any property that may be used by individuals in conducting their job or for the storage of their personal effects. This includes computers, computer files and records of use and access, desks, lockers and vehicles owned by the Company. It is a violation of the Company policy to store any contraband, illegal drugs, or non-job related toxic materials or weapons on the Company property.

Unauthorized Copying of Publications

It is illegal and against the Company policy for any employee to copy all or parts of articles, books or other publications if another individual owns a copyright on such materials, unless the Company has obtained a license to copy the materials.

Employee Relations

It is the Company's policy and practice not to discriminate against any employee because of race, colour, religion, national origin, sex, sexual orientation, age, or physical or other disability. The Company desires to create a challenging and supportive environment where individual contributions and teamwork are highly valued. In order to establish such an environment, all individuals are responsible for supporting the Company's equal employment opportunity policies. Within each country where the Company operates, it shall adhere to all applicable laws, including applicable employment laws. For example, within Australia, the Company shall not hire or employ an alien who is not the holder of an authorized visa which allows them to be employed.

D. RELATIONS WITH GOVERNMENT OFFICIALS

(1) Gifts, Favours and Bribery

Public officials play a special role in society. Conduct that may be acceptable in the commercial business environment may not be acceptable in relations with public officials. The Company employees, officers and directors may use only appropriate and lawful means to persuade public officials to render decisions or exercise discretion to the benefit of the Company. Efforts in matters affecting the Company's interests must be based solely on the merits and pursuant to proper procedures.

Employees, officers and directors may not offer, provide or solicit, directly or indirectly, any special treatment or favour from a public official in return for anything of economic value or the promise or expectation of future value or gain. Further, because of the potential for misunderstanding, the Company may not confer special treatment, favours, benefits or gifts upon public officials even if there is no matter pending before the public official. Often, individual agencies or governmental units have detailed written codes of conduct relating to relations between public officials and their constituency. Some allow acceptance of gifts or entertainment of nominal value, such as a lunch or other entertainment, but many do not. Individuals should familiarize themselves with and adhere to the written codes of conduct, rules and regulations of governmental units within their area of responsibility. "Unwritten" custom or practice may not conform to written code or law. In determining whether to follow an "unwritten" custom or practice which does not conform to written rule or regulation consult with the corporate governance team on site or at corporate, and, if found to be acceptable, keep a record of such "customary" expenses.

(2) Political Contributions

Many laws around the world including Australian federal law and many Australian State laws prohibit or regulate contributions by companies to political parties or candidates. Thus such contributions must not be made on behalf of the Company without Board approval. The term "political contributions" includes, in addition to direct cash contributions, the donation of property or services and the purchase of tickets to fund-raising events. Employees, officers or directors may make direct contributions of their own money in their own name; either directly to candidates or to political action committees, but contributions are not reimbursable.

E. AUSTRALIAN TRADE PRACTICES LEGISLATION

(1) Relations with Competitors

The Australian Competition and Consumer Commission (The ACCC) promotes competition and fair trade in the market place to benefit consumers, businesses and the community. It also regulates national infrastructure services. Its primary responsibility is to ensure that individuals and businesses comply with the Commonwealth competition, fair trading and consumer protection laws. The Company employees and directors are required to comply with the Commonwealth competition, fair trading and consumer protection laws at all times. Industry meetings (including educational conferences) offer opportunities for competitors to communicate with each other, to exchange information, and, in some instances, to formulate joint positions on issues of legitimate common concern. Common activities of trade associations, for example, include the compilation and analysis of industry statistics, the discussion of legislative and regulatory developments, the formulation of voluntary industry standards and codes, and the discussion of market trends and technological developments. These activities are legitimate in most cases and can be useful -

but they also involve significant collusion risks. The Company may cooperate with its competitors and with other firms to formulate position papers or proposals for submission to legislative or regulatory officials. Such joint activities are proper and desirable, even if their goal is government action that would limit competition. But such joint activities must be strictly confined to good-faith efforts to influence legislative or regulatory actions. Such joint action must not result in an agreement, understanding, or exchange of information - beyond the joint action necessary to influence official actions - that would reduce competition among the participating firms or impair competition with other firms.

While the Company may select its customers or suppliers, it cannot agree with competitors to restrict in any way those with whom it deals. Thus the Company may not agree with others to boycott or refuse to deal with a supplier. Likewise, the Company cannot agree with its competitors to divide markets among it and themselves, such as by territory, product or customer. The Company cannot agree with competitors to limit production of any products or services.

(2) Relations with Suppliers

An exclusive dealing arrangement, such as an output contract in which a buyer agrees to purchase all of a supplier's output or production of a particular product for a stated period of time, or a requirements contract in which a supplier agrees to provide all of a buyer's requirements for a particular product for a stated period of time, may limit competitors opportunities. Normally, these types of contracts are lawful. But when such arrangements with suppliers have the potential to significantly reduce the opportunities of the Company's competitors to obtain necessary supplies or materials, or have the potential to significantly limit the opportunities of the supplier's competitors to sell to the Company or to other customers, they may be unlawful.

(3) Relations with Customers

The Company cannot agree or reach an understanding with a customer as to the resale price of any product sold by the Company. The Company cannot condition the sale of one of the Company's products on purchase of an additional product from the Company or another company.

F. REPORTING VIOLATIONS

Compliance with these rules, standards and principles is mandatory for all employees, officers and directors, and prompt reporting of any possible violations of the Code is encouraged. Reports should be made to senior management. An employee's supervisor may assist in reporting the violation, if appropriate. Alternatively, violations may be reported, on an anonymous basis, by calling or sending an unsigned letter to the Company Secretary. Calls to the Company Secretary are anonymous, not recorded and are subject to third party compliance audit to insure that anonymity is maintained in this process. Any individual who is charged with or convicted of a crime, whether related to these rules or not, must also report that fact to the Company within five days of being charged or convicted.

All cases of questionable activity involving the Code or other potentially improper actions will be reviewed for appropriate action, discipline or corrective steps. Individuals are expected to cooperate in all investigations of violations. Whenever possible, the Company will keep confidential the identity of individuals about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, wherever possible, the Company will keep confidential the identity of anyone reporting.

CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVES

The Board has adopted a Code of Conduct for Directors & Executives to promote ethical & responsible decision making. The code is based on a code of conduct prepared by the Australian Institute of Company Directors and from ASX Corporate Governance Council's Principles of Good Corporate Governance.

In accordance with legal requirements & agreed ethical standards, Directors & key executives of the Company:

- will act honestly, in good faith & in the best interests of the whole Company;
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care & diligence in fulfilling the functions of office & exercising the powers attached to that office;
- will undertake diligent analysis of all proposals placed before the Board;
- will act with a level of skill expected from Directors & key executives of a publicly listed company;
- will use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors & key executives;
- will not disclose non-public information except where disclosure is authorised or legally mandated;
- will keep confidential, information received in the course of the exercise of their duties & such information remains the property of the Company from which it was obtained & 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;
- will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- will protect & ensure the efficient use of the Company's assets for legitimate business purposes;
- will not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- have an obligation to be independent in judgment & actions, & Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively & legally towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the Company;
- will encourage fair dealing by all employees with the Company's suppliers, competitors & other employees;
- will encourage the reporting of unlawful/unethical behaviour & actively promote ethical behaviour & protection for those who report violations in good faith;
- will give their specific expertise generously to the Company; & have an obligation, at all times, to comply with the spirit, as well as the letter of the law & with the principles of this Code;
- A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.

This Code of Conduct is in addition to the Corporate Code of Conduct which has been adopted by the Board of the Company.

SECURITIES TRADING POLICY

1. PURPOSE

The purpose of this Policy is to:

- (a) provide a brief summary of the law on insider trading and other relevant laws;
- (b) set out the restrictions on dealing in securities by key management personnel of Horseshoe Metals Limited (“Horseshoe”); and
- (c) assist in maintaining market confidence in the integrity of dealings in Horseshoe’s securities.

Any person who does not understand any part of this Policy or how it applies should discuss the matter with the Company Secretary before dealing in any Horseshoe securities.

2. STATEMENT OF POLICY

Whenever persons have inside information which may affect the value of securities, they must not:

- (a) deal in those securities; or
- (b) communicate the information to anyone else.

This prohibition applies regardless of how the inside information was learned. It applies not only to Horseshoe securities, but also to securities of other companies. Definitions of “inside information”, “securities” and “dealing” are set out below.

3. WHO IS COVERED BY THIS POLICY?

This Policy applies to key management personnel (as defined in Accounting Standard AASB 124 Related Party Disclosure) (“Restricted Persons”).

The restrictions on dealings by a Restricted Person are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of a dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the *Corporations Act 2001*, the Restricted Person is to be treated as interested. For example, if a Restricted Person is a trustee of a trust and is also a beneficiary of the trust, the Restricted Person must not purchase or procure the purchase of Horseshoe securities on behalf of the trust.

4. WHAT SECURITIES ARE COVERED BY THIS POLICY?

This policy applies to the following securities:

- (a) Horseshoe shares;
- (b) any other securities which may be issued by Horseshoe, such as options;
- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued or created over or in respect of Horseshoe securities; and
- (d) securities of any other company or entity that may be affected by inside information (such as another party involved in a joint venture or corporate transaction with Horseshoe or a Horseshoe contractor or shareholder).

5. WHAT IS DEALING?

For the purposes of this Policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging any other person (including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

Communicating information includes passing it on to any other person including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust.

6. WHAT IS INSIDER TRADING?

In broad terms, a person will commit insider trading if they:

- (a) deal in Horseshoe securities or securities of another entity whilst having inside information; or
- (b) communicate inside information to another person knowing (or where you should reasonably have known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as “tipping”.

Individuals who contravene the insider trading provisions of the *Corporations Act 2001* are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission (ASIC).

Separately, someone who engages in insider trading may be sued by another party or Horseshoe in a civil action for any loss suffered as a result of the insider trading.

7. WHAT IS INSIDE INFORMATION?

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell Horseshoe securities or securities of another entity.

It does not matter how someone comes to have the inside information – for example whether it is learnt by a person in the course of carrying out their responsibilities, in passing in the corridor, in the lift or at a dinner party.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of “information” is broad enough to include rumours, matters of supposition, intentions of a person (including Horseshoe) and information that is not definite enough to warrant public disclosure.

8. WHAT ARE SOME EXAMPLES OF INSIDE INFORMATION?

The following list is illustrative only. Inside information about Horseshoe could include:

- (a) a material variance in the financial performance of Horseshoe against its budget;
- (b) the entry into or termination of a major joint venture;
- (c) a proposed or actual takeover or amalgamation;
- (d) an unexpected liability or possible claim against Horseshoe;
- (e) material drill results or the likely discovery of a major ore body;
- (f) significant change in senior management;
- (g) a proposed new share issue; and/or
- (h) a proposed dividend or change in dividend policy.

9. SECURITIES OF OTHER COMPANIES

In the course of their duties a Restricted Person of Horseshoe or a Horseshoe Group company may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with Horseshoe, another company might provide confidential information about itself.
- (b) in the course of negotiating a transaction with Horseshoe, another company might provide confidential information about a third party; or
- (c) information concerning a proposed transaction or other action by Horseshoe might have a material effect on a third party.

The prohibition on insider trading is not restricted to information affecting Horseshoe securities. Accordingly a Restricted Person in possess of inside information in relation to securities of another company or entity must not deal in those securities.

10. WHAT ELSE IS PROHIBITED?

Restricted Persons must not engage in short term or speculative dealing in Horseshoe securities.

11. WHEN IS DEALING PERMITTED?

Subject to the rules of any Horseshoe employee or executive share or option plans, Restricted Persons can deal in Horseshoe securities at any time:

- (a) other than during a Prohibited Period;
- (b) provided they do not have inside information; and
- (c) provided they are not involved in short term or speculative dealing.

A Restricted Person may seek a waiver to purchase the Company's securities during a Prohibited Period provided they do not have inside information and they are not involved in short term or speculative dealing in the Company's securities. Written (including email or similar electronic communications) waiver applications should be made to the Company Secretary or, in the case of the Company Secretary, to the Managing Director.

Prior approval of such a waiver may be granted by two directors in writing. Discretion will be applied taking into account the circumstances of the Restricted Person, the number of securities to be acquired and weighing this against any perceived detriment to Horseshoe's reputation or risk to a stable market for Horseshoe securities.

12. PROHIBITED PERIODS

Restricted Persons are not permitted to deal in Horseshoe securities during Prohibited Periods.

Prohibited Periods means:

- (a) any Closed Period; or
- (b) additional periods when Restricted Persons are prohibited from trading, which is imposed by Horseshoe from time to time when the company is considering matters which are subject to Listing Rule 3.1A.

Closed Periods are defined as the following:

- (a) the ten trading day period immediately leading up to the day of the announcement of the Company's Quarterly, Half-Yearly and Annual Report, and two trading days after this announcement is made.
- (b) the five trading day period prior to the anticipated release of drill results.

A Prohibited Period may be called at any time by direction of the Managing Director or the Chairman.

Notice of Prohibited Periods or changes thereto will be distributed by the Company Secretary to Restricted Persons by email. Changes to Prohibited Periods are effective immediately.

13. TRADING UNDER EXCEPTIONAL CIRCUMSTANCES

A Restricted Person, who is not in possession of inside information in relation to Horseshoe, may be given prior written clearance to sell or otherwise dispose of the securities of Horseshoe during a Prohibited Period under this policy where the Restricted Person is in severe financial hardship or there are other exceptional circumstances.

Examples of what constitutes exception circumstances are:

- (a) a pressing financial commitment that has arisen unexpectedly and which cannot be met by other reasonable means;
- (b) a court order requiring the sale or transfer of Horseshoe securities.

14. APPLICATIONS TO TRADE UNDER EXCEPTIONAL CIRCUMSTANCES

An application to trade under Exceptional Circumstances must be submitted in writing (including in any electronic format) to the relevant Designated Officer(s). Any such approval must be obtained in advance. It cannot be given after the event.

Designated Officer(s) who may grant approvals under exceptional circumstances are:

- (a) the Managing Director, or if absent, the Company Secretary in their discretion to Restricted Persons other than a Director;
- (b) the Chairman, or if absent, the Chairman of the Audit Committee, in their discretion to a Director;
- (c) the Chairman and the Chairman of the Audit Committee, in their discretion to the Managing Director; and
- (d) the Managing Director and the Chairman of the Audit Committee, in their discretion to the Chairman.

Discretion will be applied with caution taking into account the exceptional circumstances of the Restricted Person and weighing this against any perceived detriment to Horseshoe's reputation.

Any approval granted under exceptional circumstances will expire within 14 days of being granted, or for such shorter or longer period as is specified in the approval documentation.

A dealing for which exceptional circumstances approval is given remains subject to insider trading rules and the prohibition on speculative trading.

15. TRADING WHICH IS NOT SUBJECT TO THIS POLICY.

The following types of trading are specifically excluded from the operation of this Policy:

- (a) transfers of securities of Horseshoe already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of Horseshoe) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Restricted Person is a trustee, trading in the securities of Horseshoe by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (d) undertaking to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) a disposal of securities of Horseshoe that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) the exercise (but not the sale of securities following exercise) of an option or a right under a Director or employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and Horseshoe has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have expected to exercise it at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the Trading Policy and where:
 - a. the Restricted Person did not enter into the plan or amend the plan during the Prohibited Period;
 - b. the trading plan does not permit the restricted person to exercise any influence or discretion over how, when or whether to trade; and
 - c. Horseshoe's Trading Policy does not allow for the cancellation of a trading plan during a Prohibited Period other than in exceptional circumstances.

16. PROCEDURES FOR DEALING IN HORSESHOE SECURITIES

For Restricted Persons, the following rules apply:

- (a) a Restricted Person intending to deal in Horseshoe securities must first notify the Company Secretary in writing of their intention to deal. If the Restricted Person is the Company Secretary they must notify the Managing Director.
- (b) If a Restricted Person subsequently deals in those securities the Restricted Person must confirm the dealing in writing to the Company Secretary within 3 business days after the dealing. If the Restricted Person is the Company Secretary they must provide confirmation to the Managing Director. The confirmation must include:
 - i. Restricted Person's name;
 - ii. the name of any person who dealt on Restricted Person's behalf e.g. family trust or company, spouse, etc;
 - iii. details of Restricted Person's interest in the Horseshoe securities the subject of the dealing;
 - iv. the date of the dealing;
 - v. the number of Horseshoe securities bought or sold;
 - vi. the amount paid or received for those securities; and
 - vii. the number of Horseshoe securities held by the Restricted Person's (directly or indirectly) before and after the dealing.

17. DEALINGS IN HORSESHOE SECURITIES WHICH NEED PRIOR APPROVAL

For Restricted Persons intending to acquire Horseshoe securities under a margin lending or some other arrangement which results in a secured lender holding a right to dispose of such securities, prior written approval is required.

An application setting out the details of the proposed acquisition and arrangement must be submitted in writing to the relevant Designated Officer(s). Any such approval must be obtained in advance. It cannot be given after the event.

Designated Officer(s) who may grant approvals are:

- (e) the Managing Director, or if absent, the Company Secretary in their discretion to Restricted Persons other than a Director;
- (f) the Chairman, or if absent, the Chairman of the Audit Committee, in their discretion to a Director;
- (g) the Chairman and the Chairman of the Audit Committee, in their discretion to the Managing Director; and
- (h) the Managing Director and the Chairman of the Audit Committee, in their discretion to the Chairman.

Discretion will be applied taking into account the circumstances of the Restricted Person, the number of securities to be acquired and weighing this against any perceived detriment to Horseshoe's reputation or risk to a stable market for Horseshoe securities.

18. ASX DISCLOSURE OBLIGATIONS

The acquisition or sale of Horseshoe securities by Directors of Horseshoe must be disclosed to ASX under Listing Rule 3.19A within 5 business days of the transaction taking place.

The information described under 16 above must be provided to the Company Secretary within 3 business days of the transaction to allow the Company Secretary adequate time for any follow up, completion and release of the notification to ASX on the Director's behalf. Details of any changes in Directors' interests in Horseshoe securities are required to be recorded in the Register of Directors' Interests and noted in the minutes of the next Board meeting.

Restricted Persons with a substantial shareholding in Horseshoe securities (i.e. more than 5% of issued capital) are also required to comply with the substantial shareholding notification provisions of section 671B of the *Corporations Act 2001* when there is a change in their holding. In this instance a notice must be provided to ASX and to Horseshoe in the prescribed form within 2 business days of the change.

19. OTHER OBLIGATIONS

In addition to the insider trading and other restrictions in this policy, Restricted Persons also owe a duty of confidentiality to Horseshoe and the Horseshoe group of companies. Restricted Persons must not reveal any confidential information concerning Horseshoe or any Horseshoe group company, use that information in any way that may injure or cause loss to Horseshoe or any Horseshoe group company or use that information to gain an advantage for themselves. Under the *Corporations Act 2001*, a breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability if recklessness or dishonesty is involved; and/or
- (c) liability to compensate Horseshoe for any damage it suffers as a result of the disclosure.

20. POLICY COMPLIANCE

Strict compliance with this Policy is mandatory for all Restricted Persons covered by this Policy. Contravention of the *Corporations Law 2001* is a serious matter which may result in criminal or civil liability.

In addition, breaches of this Policy may damage Horseshoe's reputation in the investment community and undermine confidence in the market for Horseshoe securities. Accordingly, breaches will be taken very seriously by Horseshoe and will be subject to disciplinary action, including possible termination of a person's employment or appointment. Reports of any breaches of this Policy will be forwarded to the Audit Committee.

RISK MANAGEMENT POLICY

The Risk Committee is established by the Board to ensure that the Company and its subsidiaries (the **Group**) have established a sound system of risk management. This Committee is primarily responsible for operational and other non-financial risks. (The Audit Committee is responsible for financial and information technology risks).

1. COMPOSITION

The Committee will consist of at least two members, all of whom shall be non-executive directors. The Chair must not be the Chair of the Board. Committee membership will be reviewed at least annually. A quorum shall be any two members.

The Committee may invite attendance from any staff of the company and seek external advice to assist in its duties.

If a member or attendee has a conflict of interest in a matter this must be indicated at the commencement of the meeting. However, the Committee will have the discretion to allow the person to participate in the relevant item or not, according to the Group's policy on conflicts of interest.

2. ROLE

The Committee is established to monitor and review on behalf of the Board the system of risk management which the Group has established. This system should identify, assess, monitor and manage operational and compliance risks.

The Risk Committee determines the Group's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

The Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

Although it is not possible to provide absolute assurance that all corporate risks will be fully avoided or even mitigated, the Committee should aim to minimise any adverse impact on the Group that may result from the occurrence of an identifiable corporate risk.

3. REPORTING PROCEDURES

Meetings will be held at least two times per year. The Committee must review and update its Charter and assess the Committee's effectiveness annually, with a view to ensuring that its performance accords to as great an extent as is mandatory and otherwise practical, with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended from time to time.

4. RESPONSIBILITIES

In fulfilling its purpose outlined in section 2, the Committee should ensure that:

- it communicates any material changes to the Board as to the management of risk, the risk profile, and the associated internal controls of the Group; risks are identified and monitored through a systematic review of the organization and its operations;
- a risk register is maintained which describes the risks, the likelihood of occurrence, mitigating strategies and consequential risk. These must be updated regularly and reviewed by the Committee every six months;
- adequate policies and procedures have been designed and implemented to manage risks identified;
- proper remedial action is undertaken to redress areas of weakness identified by the system of risk management and/or the Committee;
- a system of reporting and investigating incidences, breaches or excessive risks operates effectively;

- when requested to do so by the Board or when the Committee considers appropriate, an investigation can be undertaken and reported to the Board on any risk-related matters;
- there is a system whereby the CEO and the Board are immediately notified of any information which might have a material effect on the price or value of the Company's securities, and that such information is released to the ASX in accordance with the requirements of the Company's disclosure policy and the ASX Listing Rules;
- obtaining, each year, a statement from the CEO, Chief Financial Officer (the CFO) and the Chief Operating Officer (the COO) or any of their equivalents, to the Board that the company's risk management and internal compliance and control system is operating effectively in all material respects;
- the Charter is made publicly available on the website; and
- the annual report explains any departures by the Group from the Charter.

5. SPECIFIC RISKS TO BE MANAGED BY THE COMMITTEE

Outlined below are some specific operational and compliance risks inter alia, which are the responsibility of the Committee.

The Committee is responsible for:

- promoting and supporting an organisational culture that is committed to risk management through open communication and effective risk management leadership;
- implementing a structured risk management training program to educate management and staff in the awareness of corporate risks and best practices in the management of corporate risks; reviewing the Group's main corporate governance practices as required under the ASX Listing Rules for completeness and accuracy;
- ensuring appropriate policies, procedures, controls and monitoring and reporting mechanisms have been adopted by the Group to prevent breaches of and ensure compliance with all relevant legislation and regulations, including but not limited to OH&S, Industrial Relations, Environmental and Trade Practices,;
- ensuring there is adequate employee education and support to facilitate safety, security and good health in the workplace and monitoring of workplace safety;
- ensuring that the Group operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority;
- ensuring that the management of the Group pays due attention to ethical considerations in implementing the Group's policies and practices;
- adopting procedures and policies for the improvement and preservation of the reputation of the Group; and
- ensuring that the Group has put appropriate insurance in place.

SHAREHOLDER COMMUNICATION POLICY

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- the Annual Financial Report is distributed to all shareholders (who specifically request to receive the document), including relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments. The full Annual Financial Report is also available on the Company website.
- the Half - yearly report contains summarised financial information and a review of the operations of the Company during that period. The audited Half – year financial report is lodged with ASIC and the ASX and sent to any shareholder who requests it as well as being published on the Company website.
- proposed major changes in the Company, which may impact on share ownership rights, are submitted to shareholder vote.
- the Company presents exhibits at industry conferences which provides opportunity for the shareholders to gather information about the Company; it is also an opportunity to meet members of the Board and senior management.
- all documents that are released publicly are made available on the Company website and e-mailed to shareholders and investors who have provided their relevant details to the Company.
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.
- the shareholders are requested to vote on the appointment and aggregate remuneration of the Directors the granting option and shares to Directors and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

CONTINUOUS DISCLOSURE POLICY

2. PURPOSE

The purpose of the Continuous Disclosure Policy is to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and ASX Limited (ASX) Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

This Policy contains all continuous disclosure requirements under the Listing Rules and the Corporations Act, and incorporates best practice guidelines.

3. LEGAL REQUIREMENTS

The Company is a public company listed on ASX. It is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

The Rule: The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

The Exception: Listing Rule 3.1A contains the only exception to Listing Rule 3.1:

"Listing Rule 3.1 does not apply to particular information while all of the following are satisfied:

3.1A.1 A reasonable person would not expect the information to be disclosed.

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

3.1A.3 One or more of the following applies:

- *It would be a breach of a law to disclose the information.*
- *The information concerned an incomplete proposal or negotiation.*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- *The information is generated for internal management purposes of the entity.*
- *The information is a trade secret."*

Disclose to ASX first: Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to anyone until it has given the information to ASX, and has received an acknowledgement from ASX that the information has been released to the market.

What is material price sensitive information?: Section 677 of the Corporations Act states that, a reasonable person would be taken to expect information to have a "material effect on the price or value" of securities if the information "*would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of*" those securities.

Correction of false market: Listing Rule 3.1B provides that if ASX considers that there is, or is likely to be, a false market in an entity's securities, and requests information from the entity to correct or prevent the false market, the entity must give ASX the information needed to correct or prevent the false market.

4. DISCLOSURE PRINCIPLE

The Company will immediately notify ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless exempted by the Listing Rules. The Company's securities include all shares and options issued and granted by the Company.

Disclosure of material price sensitive information

Any information concerning the Company which would, or would be likely to, influence investors in deciding whether to acquire or sell the Company's securities (material price sensitive information) must be disclosed to ASX in accordance with this Policy.

The Managing Director is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the full Board will be consulted, and if necessary, seek external advice. The following provides a guide as to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear.

Matters which generally require disclosure include:

- significant exploration or mining results;
- a change in the quantum or nature of the Company's mineral resources and/or reserves;
- a change in the Company's financial forecasts or expectations. As a guide, a variation in excess of 10% may be considered material. If the Company has not made a forecast, a similar variation from the previous corresponding period may be considered material;
- a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- changes in the Board of Directors, senior executives or auditors.
- a change in the Company's accounting policy;
- an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director).
- events regarding the Company shares, securities, financing or any default on any securities (e.g. under or over subscriptions to an issue of securities, share repurchase program);
- giving or receiving a notice of intention to make a takeover offer;
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- mergers, acquisitions/divestments, joint ventures or changes in assets;
- significant developments in regard to new projects or ventures;
- major new contracts, orders, or changes in suppliers or customers;
- legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company;
- natural disasters or accidents that have particular relevance to the businesses of the Company; or

- the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries.

Significant Announcements

The Board will approve the text of any announcement which contains or relates to financial forecasts or material which is significant as regards Horseshoe Metals policy or strategy. Where issues arise which may fall within this category, the matter is referred urgently to the Chairman by the Managing Director or Company Secretary. Where the urgency of the subject matter precludes reference to the full Board, an announcement within this category may be approved by the Directors who are available. It is specifically acknowledged that where a continuous disclosure obligation arises, disclosure cannot be delayed to accommodate the availability of Board members. Significant announcements of a recurring nature, such as the Company's half year and end of year results, are as a matter of course presented for consideration by the full Board prior to their release to the market.

Rumours and Market Speculation

The Company's general policy, which must be observed by all employees, is not to comment on market speculation and rumours. The Managing Director will decide if a comment is to be made.

Trading Halts

The Company may, in exceptional circumstances, request a trading halt to prevent the emergence of a false or uninformed market for the Company's securities and to manage disclosure issues. Any decision to request a trading halt will be made by the Managing Director.

Policy Breaches

Breaches by employees of the Company's Continuous Disclosure Policy may lead to disciplinary action including dismissal in serious instances.

5. COMMUNICATIONS WITH FINANCIAL MARKETS

The Company recognises the importance of regular and proactive interaction with the market in order to ensure the Company's stakeholders remain fully informed about its activities. As well as market announcements, this interaction can be in the form of results briefings to stockbroking analysts and media, institutional investor briefings, one-on-one meetings with investors and presentations at industry conferences. At all times in these interactions, the Company adheres to its guiding principles for market communications.

Guiding Principles for Market Communications

The Company applies the following guiding principles for market communications:

- (a) The Company will not disclose price sensitive information to an external party except where that information has previously been disclosed to the market generally.
- (b) Timely and accurate information must be provided equally to all shareholders and market participants.
- (c) Information must be disseminated by channels prescribed by laws and other channels which the Company considers to be fair, timely and cost-efficient.

Authorised Spokespersons in Respect of Market Communications

The only Horseshoe Metals employees authorised to make any public statements to the market on behalf of, or attributable to, the Company are those who have the prior approval of the Managing Director. The only employees authorised to speak on behalf of the Company in this context are:

- (a) Managing Director; or
- (b) The Managing Director's delegate.

If any other employee receives a request for comment from an investor, analyst or the media in relation to any matter concerning the Company, they must advise that person that they are not authorised to speak on behalf of the Company and must refer enquiries to the Managing Director.

Communication of Disclosable Information

All information disclosed to the ASX in compliance with this Policy will be placed promptly on the Company's website, following receipt of confirmation from the ASX. The Company's website is www.horseshoemetals.com.au. The Horseshoe Metals Board is provided with copies of all information disclosed to the ASX.

Shareholder Meetings

The Company encourages and supports shareholder participation in general meetings. Mechanisms for enabling shareholder participation will be reviewed regularly to encourage the highest level of participation.

Analyst, Investor and Media Briefings

From time to time, Horseshoe Metals conducts briefings for analyst, investor and media groups to discuss information that has been released to the market. The following protocols apply:

- (a) There will be no discussion of price sensitive information not already disclosed to the market generally.
- (b) Questions raised in relation to price sensitive information not previously disclosed will not be answered.
- (c) If price sensitive information is inadvertently released during the briefing, it will immediately be released to the ASX and placed on The Company' website.
- (d) All briefing and presentation materials will be disclosed to the market via the ASX and placed on the Company's website prior to commencement of the briefing.

Analyst Reports

The Company recognises the important role played by analysts in assisting the establishment of an efficient market with respect to the Company securities. However, Horseshoe Metals is not responsible for, and does not endorse, analysts' research reports on the Company.

When requested to do so, Horseshoe Metals may review analysts' research reports but will confine its comments to material previously disclosed by the Company or material in the public domain. The Company may comment on analysts' earnings estimates to the extent of:

- (a) acknowledging the current market range of estimates;
- (b) questioning an analyst's assumptions or sensitivities if the analyst's estimate is significantly at variance from current market range estimates; and
- (c) advising factual errors where data is already in the public domain.

Forecast information will not be provided by the Company unless it has already been disclosed to the market.

DIVERSITY POLICY

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

DIRECTORS INDEPENDENCE QUESTIONNAIRE

Proforma directors independence questionnaire attached overleaf.

DIRECTORS INDEPENDENCE QUESTIONNAIRE

A. QUESTIONS

1. Are you involved in the day to day running of the Company? Yes No

Note: If you answer yes to this question, then you are considered to be executive and hence cannot meet the definition of independent. Please proceed to 'B'.

2. Are u a substantial shareholder of the Company, or an officer of, or otherwise associated directly with, a substantial shareholder of the Company? Yes No

Note: If you answer yes to this question, you do not meet the definition of independent. Please proceed to 'B'.

3. Within the last three years have you been employed in an executive capacity by the Company or Group? Yes No

Note: If you answer yes to this question, you do not meet the definition of independent. Please proceed to 'B'.

4. Within the last three years have you been a principal of a material professional advisor or a material consultant to the Company or Group, or an employee materially associated with the service provided? Yes No

If you answer No to this question, please provide details of the following information:

- Name of any entity associated with yourself which provides services to the Company;
- Total receipts received from the Company during the last 3 years;
- The thresholds used in determining whether any benefits received from the Company are material (from the viewpoint of the individual director). Please note that these are required to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from, the Company's point of view to ensure consistency unless there is an overriding factor which should be described below.
- Why you consider that any service provided is not material.

If you answer Yes to this question, please provide details of the following information:

- Name of any entity associated with yourself which provides services to the Company;
- Total receipt received from the Company during the last three years.
- The thresholds used in determining whether any benefits received from the Company are material (from the viewpoint of the individual director). Please note that these are requires to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from the Company point of view to ensure consistency unless there is an overriding factor to which should be described below.

- Why you consider that any service provided is material
-
-

Regardless of your response please proceed to question 5.

5. Are you a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer? Yes No

If you answer no to this question, please provide details of the following information:

- Name of any supplier group associated with yourself which supplies or receives services to / from the Company?
 - The thresholds used in determining whether any benefits provided to or received from the Company are material (from the viewpoint of the individual Director). Please note that these are required to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from the Company's point of view to ensure consistency unless there is an overriding factor which should be described below.
 - Why you would consider any such transaction to not be material.
-
-

If you answer yes to this question, please provide details of the following information:

- Name of any supplier group associated with yourself which supplies or receives services to / from the Company?
 - The thresholds used in determining whether any benefits provided to or received from the Company are material (from the viewpoint of the individual Director). Please note that these are required to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from the Company's point of view to ensure consistency unless there is an overriding factor which should be described below.
 - Why you would consider any such transaction to not be material.
-
-

Regardless of your response please proceed to question 6.

6. Have you had a material contractual relationship with the Company or another group member other than as a director of the Company: Yes No

If you answer no to this question, please provide details of the following information:

- Name of the associated company and nature of the contract entered into with the Company.

- The thresholds used in determining the contract with the Company is not material (from the viewpoint of the individual director). Please note that these are required to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from the Company's point of view to ensure consistency unless there is an overriding factor which should be described below.
 - Why you consider any such transaction to be material?
-
-

If you answer yes to this question, please provide details of the following information:

- Name of the associated company and nature of the contract entered into with the Company.
 - The thresholds used in determining the contract with the Company is not material (from the viewpoint of the individual director). Please note that these are required to be disclosed in the corporate governance section of the annual report. The materiality thresholds should be consistent with the materiality thresholds adopted from the Company's point of view to ensure consistency unless there is an overriding factor which should be described below.
 - Why you consider any such transaction to be material?
-

7. Are you free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with your ability as director to act in the best interests of the Company? Yes No

If you answer no to this question, please provide detail of the following information:

- Description of any interest or business or other relationship not covered by any other question above, including family ties and cross directorships.
 - The thresholds used in determining that the above interest or relationship would not be material.
 - Why you would consider any such interest or business or other relationship to not be material.
-
-

If you answer yes to this question, please provide detail of the following information:

- Description of any interest or business or other relationship not covered by any other question above, including family ties and cross directorships.
- The thresholds used in determining that the above interest or relationship would not be material.

- Why you would consider any such interest or business or other relationship to not be material.

B. STATEMENT BY INDIVIDUAL DIRECTOR

After completing the above questionnaire and with my knowledge of my position and any dealings with the Company, I conclude that am / am not an independent director.

[Director Name]

/ /

C. STATEMENT BY BOARD

After reviewing the above responses from the individual director, the Board resolves that [] is / is not independent.

[Director Name]

/ /

[Director Name]

/ /

ⁱ Section 9 Corporations Act '**substantial holding**' : A person has a substantial holding in a body corporate, or listed registered managed investment scheme, if:

(a) the total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:

i. have relevant interests; and

ii. would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements);

is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme; or

(b) the person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

Note – 'relevant interest' is defined in sections 608 & 609 Corporations Act. A person has a relevant interest not only if they hold securities, but also if they have the power to exercise or control voting rights or the power to exercise or control the disposal of securities.

ⁱ The Board considers a professional adviser or consultant to be prima facie material if >20% of the total fees or income of the adviser or consultant is derived from services supplied to the Company.

ⁱ The Board considers a supplier to be prima facie material if >20% of the total fees or income of the supplier is derived from goods supplied to the Company.

The Board considers a customer to be prima facie material if >20% of the Company's revenue is derived from that customer.