



BOARD CHARTER

Introduction

The Board of Metminco Limited (Metminco) will at all times recognise its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of Metminco's shareholders, employees and the community. Metminco's core values are to:

- Create shareholder value;
- Place paramount importance on the safety and well being of its people;
- Respect different cultures, traditions and employment practices;
- Undertake its business with integrity, honesty, fairness and respect for human rights;
- Comply with the law and principles of good corporate governance; and,
- Minimise impacts on the environment and rehabilitate its operations appropriately.

Board Roles and Responsibilities

The Board of Directors is responsible for the corporate governance of Metminco and its wholly owned subsidiaries (the Group). To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. These responsibilities include:

- Setting the strategy for the Group, including operational and financial objectives and ensuring that there are sufficient resources for this strategy to be achieved;
- Appointing and, where appropriate, removing the Managing Director, approving other key executive appointments and planning for executive succession;
- Overseeing and evaluating the performance of the Managing Director and the executive team through a formal performance appraisal process having regard to the Group's business strategies and objectives;
- Monitoring compliance with legal, regulatory, environmental, social and occupational health and safety requirements and standards;
- Overseeing the identification of key risks faced by the Group and the implementation of an appropriate internal control framework to ensure those risks are managed to an acceptable level;
- Approving the Group's budgets, including operational and capital budgets, and the approval of significant acquisitions, expenditures or divestitures;
- Approval of the annual and half-yearly financial reports; and
- Ensuring the market and shareholders are fully informed of material developments.

The roles of Chairman and Managing Director are separated and clearly defined. The Chairman leads the Board and is responsible for ensuring the effectiveness of governance practices. The Chairman is also responsible for the conduct of Board and shareholder meetings.

Responsibility for the operations of the Company is delegated to the Managing Director who manages the Company within the policies set by the Board. The levels of authority for management are also documented.

To ensure that the responsibilities of the Board are upheld and executed to the highest level, the Board has established the following sub-committees:

- Audit and Risk Committee;
- Nomination and Remuneration Committee; and
- Environment, Social, Occupational Health and Safety Committee.

Sub-committees are able to focus on a particular responsibility and provide informed feedback to the Board. Each of these sub-committees have established Charters and operating procedures in place, which are reviewed on a regular basis. The Board may also establish other sub-committees from time to time to deal with issues of special importance.

Membership

The Board is responsible for ensuring that its composition is sufficient to protect the interests of all stakeholders. Directors will discharge their duties in the best interests of all shareholders.

- The Board of Metminco Limited shall comprise at least three directors, with a majority, including the Chairperson of the Board, being non-executive. The Chairperson must be independent;
- The Chairperson shall be elected by the full Board;
- The Board shall comprise directors with a broad range of skills, knowledge and experience; and
- Board members shall be considered independent if they do not have any of the relationships identified in Box 2.1 of the Australian Securities Exchange ('ASX') Corporate Governance Council Corporate Governance Principles and Recommendations 2nd edition (2010) and have been determined by the Board to be independent, as defined in and to the extent required by the applicable rules of any applicable law or regulations.

Role of the Chairperson

The Company recognises that it is important that the Chairperson has a defined role in the organisation and operates in accordance with clear functional lines. The Chairperson will:

- chair Board meetings;
- establish the agenda for Board meetings, in consultation with the Managing Director and the Company Secretary;
- be available to liaise with other directors between Board meetings;
- chair meetings of shareholders, including the Annual General Meeting of the Company;
- be the primary spokesperson for the Company at the Annual General Meeting;
- represent the views of the Board to shareholders of the Company, the general public, governmental authorities, regulators and other stakeholders; and
- develop and maintain key strategic relationships.

Powers delegated to management

The Board has delegated general authority to manage the businesses of Metminco to the Managing Director, who in turn may delegate functions to other senior management. The Managing Director remains answerable to the Board and must comply with any limits on his authority established by the Board from time to time.

Responsibilities of Individual Directors

Each director is bound by all of the Company's charters, policies and codes of conduct, including the Code of Conduct, the Market Disclosure Policy and the Securities Trading Policy. The directors are expected to lead by example, setting standards of fairness, integrity and diligence which others within

the Company can follow. In particular, the directors must:

- conduct their duties with the highest degree of honesty and integrity;
- observe both the rule and spirit of the law, and comply with any relevant ethical and technical standards);
- maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the Listing Rules of the ASX or the listing standards of the Alternative Investment Market (AIM);
- observe the principles of independence, accuracy and integrity in dealings with the Board, its committees, internal and external auditors and senior management within the Company; and
- disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of the Company.

Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the Company.

Operations of the Board

- The Board shall meet at least four times per year, and otherwise as it considers necessary.
- A quorum for a Board meeting is two directors, unless determined otherwise by the directors.
- An Agenda for a Board meeting shall, where practicable, be prepared and circulated to Board members and other relevant individuals at least 48 hours prior to the time of the meeting.
- A Board meeting may be held by directors communicating with each other by any technological means by which they are able to simultaneously hear each other and participate in discussion. The minutes of the meeting shall record the method of communication by which the meeting was conducted.
- Minutes of a Board meeting shall be taken and tabled at the next Board meeting.
- The Board, through its Chairperson, may request the attendance at Board meetings of management and/or staff of Metminco on a regular or irregular basis, as it deems necessary, to provide appropriate information or explanations.
- The Board will review and recommend any update to this Charter as deemed necessary.
- The Board will perform an evaluation of the Board's performance, utilising external consultants where necessary, at least annually to determine whether the Board is functioning effectively by reference to current best practice.

Authority of the Board

- The Board has direct and unlimited access to Metminco's senior managers, including the right to seek additional information and explanation, during its meetings.
- Each director shall have the right to procure, at Metminco's expense, and with the prior approval of the Chairperson, independent professional advice with respect to his or her duties and obligations as a director.

Functions of the Board with regard to Nomination

- Having regard to the strategic direction of Metminco, periodically assessing the skills, experience and expertise ("skills") required to competently discharge the Board's duties and reporting the outcome of that assessment to the Board.
- Having regard to the skills required, assessing whether the skills represented by the Board are

adequate.

- When the need for a new director is identified or an existing non-executive director retires, approving candidates it considers appropriate for appointment as directors, having regard to the candidate's skills and other commitments and following receipt of the advice, where necessary, of independent search consultants.
- Approving the removal of directors.
- Periodically conducting a review of the independence of directors.
- Developing and implementing a plan for identifying, assessing and enhancing director competencies and ensuring non-executive directors are regularly updated in their knowledge of issues, trends and challenges relevant to Metminco and its industry.
- Establishing procedures and overseeing the performance assessment program of non-executive directors, the Board as a whole and its various committees.
- Ensuring that a director not participate in the review of his or her own performance.
- Periodically reviewing the time and commitment required of a non- executive director, and whether non-executive directors are meeting this.
- Developing a plan for Board succession, including the succession of the Chairperson of the Board.
- Overseeing the effectiveness of the induction process for new directors, and periodically reviewing it.

Role of the Board with regard to Remuneration

The primary role of the Board is to implement and maintain coherent, fair and responsible remuneration policies at Metminco which are observed and which enable it to attract and retain executives and directors who will create value for shareholders of the Company.

Diversity

The Board is to:

- Ensure an environment in which all employees are treated with fairness and respect, and have equal access to opportunities available at work.
- Promote a policy of diversity as director and senior executive positions become vacant and appropriately qualified candidates become available.

Powers reserved by the Board

The Board reserves the following functions to itself (and, to the extent delegated thereto, to its Committees):

- amendment of the Board Charter, Board Committee Charter and corporate governance policies;
- filling casual vacancies on the Board and designation of nominees for election to the Board by the shareholders;
- establishment of committees of the Board and appointment of committee members;
- appointment and removal of Directors, Managing Director and Company Secretary;
- registration and liquidation of subsidiaries and joint ventures of the Group;
- submission to shareholders of any action that requires shareholder approval;
- setting the date, time and place of shareholder meetings and approval of respective notices of meeting and explanatory memorandums;

- appointment and removal of independent auditors by the Audit Committee, subject to shareholder ratification and receiving of auditors' reports;
- declaration of dividends;
- material financing arrangements and giving of guarantees or other security;
- allotment and issue of the Company's securities and appointment of share registrars;
- approval of significant changes to accounting policies;
- approval of interim and final financial statements;
- setting remuneration of the Directors and approval of Managing Director and senior executive remuneration;
- adoption of any employee benefit plans and programs and approval of any amendment of an existing employee benefit plan or program (e.g., Employee Share Option Plan) subject to shareholder approval (where applicable);
- approval of the Group's business strategy, business plan and budgets and amendments thereto;
- approval of unbudgeted exploration and capital expenditure in excess of 10% over budget (excluding non-discretionary cost over-runs);
- authorization of political contributions and political action committees;
- appointment and removal of key advisors;
- approval of the Group's treasury policy and strategies;
- approval of insurance strategy;
- approval of material acquisitions and disposals (including options to acquire and granting of options to purchase material assets);
- approval of material contracts not in the ordinary course of business;
- initiation or settlement of litigation (unless de-minimus); and
- adoption of such policies and the taking of such other actions as the Board deems to be in the best interests of the Group.