

Tamaya Resources Limited

Corporate governance statement

The Board of Tamaya Resources Limited (“the Company”) supports standards of corporate governance appropriate to the size and structure of the Company and its operations.

This Statement outlines the Company’s corporate governance practices and the extent to which they comply with the best practice recommendations of the Australian Securities Exchange Corporate Governance Council (“ASX Guidelines”). The practices have been in place throughout the year unless otherwise noted.

BOARD OF DIRECTORS

The Board of Directors is responsible to the shareholders for the performance of the Company and seeks to balance sometimes-competing objectives in the best interests of the Company as a whole. Important in the Company’s long-term success is the relationship between the Board and senior management. The Board’s focus is on ensuring the Company is properly managed and, therefore, on enhancing the interests of shareholders and other key stakeholders.

The Board operates in accordance with the broad principles set out in a Board Charter. This Charter summarises the Board’s composition, responsibilities, functions and operational principles as well as its relationship with management.

Day to day management of the Company’s affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and senior executives.

Board composition

The Board’s policy states that:

- the Board is comprised of an Executive Chairman, Non-executive Directors, a Managing Director and Finance Director;
- it is acknowledged that the Non-executive Directors’ role is important in the Board’s consideration of strategic, risk and performance matters and they are best placed to exercise independent judgement and review and constructively challenge the performance of management;
- in recognition of the importance of independent views and the Board’s role in supervising the activities of management, at least half the Directors must be Non-executive, independent of management and all Directors are expected to bring independent judgement to bear in their Board decision making;
- the Chairman is elected by the full Board and discusses Company matters regularly with the Managing Director;
- the Company aims to maintain a mix of Directors on the Board from different backgrounds with complementary skills and experience;
- the Board undertakes, from time-to-time its own performance reviews and considers the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Company.

Tamaya Resources Limited

Corporate governance statement

Responsibilities

The responsibilities of the Board include:

- providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- reviewing progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- appointment, performance assessment and, if necessary, removal of the Managing Director and Finance Director;
- ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the Company Secretary;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the Company;
- overseeing the operation of the Company's system for compliance and risk management reporting to shareholders;
- undertaking matters that would otherwise become the responsibility of nomination and remuneration committees.

Board members

At the present time the Board of the Company consists of 6 members: 1 Executive Chairman (Hugh Callaghan), 3 Non-executive Directors (Richard Palmer, Jim Squire and John Hick), the Managing Director (Michael Fischer) and Finance Director (Glenn Kondo). John Hick joined the Board since the end of the financial year, following the resignation of Graeme Walker. Given the current size and structure of the Company the Board considers that this is an appropriate number and composition.

Details of the members of the Board, their experience, expertise, qualifications and term in office, as well as the number of Board meetings held and attendances by Directors, are set out in the Directors' Report.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective;
- the size of the Board is conducive to effective discussion and efficient decision-making.

Directors' independence

Two of the Non-executive Directors, Jim Squire and John Hick, are considered completely independent. Richard Palmer is not independent based on the ASX Guidelines for independence as he holds a substantial personal and/or related party shareholding interest in the Company and has in the past also lent the Company significant debt funds. Richard Palmer was, until March 2007, an associate of a corporate advisory firm that has assisted in capital raisings for the Company, although that relationship was not considered to be material.

A relationship is considered material in relation to Directors' independence if a supplier's revenue derived from the Company exceed 5% of the supplier's total revenue. In addition a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

Tamaya Resources Limited

Corporate governance statement

Nominations

Candidates for Board positions are nominated by the Remuneration and Nomination Committee for consideration by the Board. When the Board considers the need to change or further strengthen the Director composition it does so in the light of existing competencies and the desired need for alternative or additionally suitable representation. At such time the Board's deliberations will have regard for the ASX Guidelines and it may also seek advice from independent search consultants.

All new Directors are provided with a letter of appointment setting out the Company's expectations, their responsibilities, rights and the terms and conditions of their appointment. Additionally, new Directors are briefed on the operation of the Board and its committees and financial, strategic, operational and risk management issues and, as the opportunity arises, may visit the Company's mining operations.

Term of office

The Company's Constitution and the Australian Securities Exchange Listing Rules specify that all non-executive Directors must retire from office no later than the third Annual General Meeting ("AGM") following their last election. Where eligible a Director may stand for re-election.

In addition, any new Director appointed during the year must also stand for re-election at the AGM.

Executive Chairman & Managing Director

The Executive Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The Managing Director is responsible for implementing Company strategies and policies. The Board Charter specifies that these are separate roles to be undertaken by separate people.

Conflicts of interest

In accordance with the Board Charter and the Corporations Act any Director with a material personal interest in a matter being considered by the Board must declare that interest and take no part in decisions relating to the matter. All such declarations are recorded in Board minutes.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Where appropriate such advice is shared with the other Directors.

Performance assessment

The Board has adopted the "whole of board" approach to self-assessment of its collective performance and the performance of its Committees, rather than evaluating each individual Director. The Board's principal benchmark is the Company's financial results compared to the previous year, approved budgets and comparative organisations over the same period, having regard to specific factors impacting on the Company outside the control of the Board.

Tamaya Resources Limited

Corporate governance statement

CORPORATE REPORTING AND COMMITTEES

Corporate reporting

The Managing Director (performing the function of Chief Executive Officer) and Finance Director make the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and control appropriate for the Company's current size and operations based on policies adopted by the Board and that it is operating efficiently and effectively in all material respects at the times when the Directors' Declarations in relation to the annual and half-year financial statements are to be signed.

Board committees

The Board has established an Audit Committee. In addition a Remuneration and Nomination Committee was formed during the year.

Audit committee

The Audit Committee operates under a Board approved Audit Committee Charter and currently consists of the Non-executive Directors John Hick (Chairman) and Richard Palmer.

An Audit Committee comprised of 2 non-executive members is considered a sufficient number given the current size of the Board. The Audit Committee members have appropriate expertise and a strong understanding of the industry in which the Company operates. Details of the Committee members' names, qualifications, and number of meetings held and attended are set out in the Directors' Report.

The primary role of the Audit Committee is to ensure integrity of financial reporting and that a sound internal control system is in place. The Committee oversees relations with the external auditors, monitors group corporate governance and reviews group accounting principles and policies adopted in the financial reports.

The Audit Committee has approved the external Auditors' terms of engagement and scope of work. Based on reports submitted by the external Auditors and the findings of their work the Audit Committee confirms that all significant matters have been satisfactorily resolved and disclosed.

External Auditor

The Company and Audit Committee policy is to appoint an external auditor who clearly demonstrates quality and independence. Performance is reviewed annually. Deloitte Touche Tohmatsu has been the external Auditor since the 2005 AGM. It is the policy of the external Auditor to rotate audit engagement partners on listed companies at least every 5 years.

The external Auditor provides an annual declaration of independence to the Company. An analysis of fees paid to the external Auditor, including a break-down of fees for non-audit services, is provided in the Financial Statements and the Directors' Report.

The external Auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Tamaya Resources Limited

Corporate governance statement

Remuneration and Nomination Committee

The Remuneration and Nomination Committee was formed during the year and is comprised of the three Non-executive Directors. The Remuneration and Nomination Committee is responsible for establishing and developing the group's general policy on executive and senior management remuneration and determining specific remuneration packages for executive Directors. The Committee also makes recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the Board and its committees and the balance between executive and non-executive directors.

Remuneration is based on the Company's available financial resources, the need to attract and retain appropriately qualified and experienced personnel having regard for commensurate positions, roles and responsibilities in the mining industry. External remuneration advisers may also be consulted.

As well as a base salary, executive remuneration includes superannuation and other benefits, and a parcel of shares and/or options. Salary packages are reviewed annually by the Remuneration and Nomination Committee having regard to the executive's performance and the market rate for similar positions. There is no retirement benefit scheme or allowances for any Director, although the Company does make any required statutory superannuation payments.

Aggregate Non-executive Director remuneration is approved by shareholders at a general meeting who will determine any increase in the aggregate fees payable. An aggregate of \$300,000 was last approved at the annual general meeting in May 2007. It is the Board that determines the split between such Directors. Payment of any equity-based remuneration to a Director is also made only in accordance with shareholders' approval. An Employee Share Option Plan may be considered at a later stage of the Company's development.

The Committee assesses the appropriateness of all such payments on a periodic basis by reference to relevant market conditions, and benchmarking against the industry, with the overall objective of ensuring maximum stakeholder benefit from the retention of an effective Board.

Further details of remuneration principles and payments to Directors and specified executives are set out in the Remuneration Report section of the Directors' Report.

RISK ASSESSMENT & MANAGEMENT

The Board, through the Audit Committee, is responsible for overseeing policies in relation to risk management, compliance and internal control systems designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. The Board actively promotes a culture of quality and integrity.

The Managing Director reports regularly to the Board on material risks that may impede business. This is particularly important in relation to the Company's mining activities and 'safety' is a standing Board agenda item.

The environment, health & safety management

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective systems have been established to facilitate the identification of environmental and OH&S issues and to ensure they are managed in a structured manner. This allows the Company to:

- monitor its compliance with all relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environmental and OH&S issues;
- use energy and other resources efficiently; and
- encourage the adoption of similar standards by principal suppliers, contractors and distributors.

Environmental issues are of great importance given the Company's mining operations and information on compliance with significant environmental regulations is set out in the Directors' Report.

ETHICAL STANDARDS

The Board actively promotes the observance of ethical and responsible behaviour by all Directors, officers and employees. Whilst a formal code of conduct has not been established at this time due to the Company's relatively small size, all officers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the Company's reputation and performance.

It is the responsibility of the Managing Director to report any unethical practices by employees to the Board for remedial action.

Share Trading

The Board has established the following guidelines that restrict dealings by all Directors, senior employees and consultants in the Company's shares and provide an understanding of insider trading and issues relative to price-sensitive information.

These guidelines identify certain periods when Directors, employees and consultants may buy or sell shares and the rules governing such dealings. Generally, dealings in shares are restricted to the 30-day period following release of the Company's half-year and full-year financial results. At other times dealings in shares may only be undertaken with the Board's consent. As required by the ASX Listing Rules, Directors have obligations under a written contract to provide details of changes in their interests in securities which in turn are promptly reported to the ASX.

CONTINUOUS DISCLOSURE, SHAREHOLDER COMMUNICATION & ACCOUNTABILITY

The Company's structure facilitates adherence to continuous disclosure of any information concerning the Company that a reasonable person would expect might have a material effect on the price of the Company's securities. Established practices also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary (Bill Lyne) has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All key information disclosed to the ASX is posted on the Company's website as soon as possible after it is released to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Internal practices include reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also released to the market.

In addition, all shareholders receive a copy of the Company's Annual Report, either in traditional format (if they have so elected) or can access it electronically, and occasional newsletters. Shareholders are also encouraged to attend general meetings, particularly the Annual General Meeting.

Other stakeholders are also recognised and their rights and responsibilities are taken into consideration by the Board with regard to the Company's scope of operations, its corporate culture and practices, and its compliance with legal requirements and ethical standards.

