

INTRODUCTION

1. The Board of Directors (**Board**) of Minara Resources Limited (**Company**) is committed to creating sustainable value for its shareholders through the discovery and development of nickel.
2. The Board acknowledges its responsibility to at all times act ethically, honestly and in accordance with the Directors' Code of Conduct, the law and the highest standards of corporate governance in order to best serve the interests of the Company's shareholders, as well as its employees, customers, suppliers and the local communities where it operates.

PRIMARY ROLE OF THE BOARD

3. The Board is responsible for ensuring that the Company and its subsidiaries (**Group**) are properly managed.
4. The Board is responsible for:
 - (a) overseeing the Group, including its control and accountability systems;
 - (b) providing input into and final approval of the Group's strategic direction and performance objectives;
 - (c) directing, monitoring and assessing the Group's performance against strategic and business plans;
 - (d) approving the Group's annual budgets;
 - (e) reporting to shareholders and other stakeholders on the performance and state of the Company; and
 - (f) approving and monitoring the progress of capital management, major capital expenditure, acquisitions and divestments.

DUTIES OF THE BOARD

5. In addition to matters expressly required by law to be approved by the Board, powers specifically reserved to the Board include:

Risk management & reporting

- (a) reviewing and ratifying the Group's systems of internal compliance and control, risk management and legal compliance and ensuring the integrity and effectiveness of those systems;
- (b) approving and monitoring financial and other reporting, including reporting to shareholders, the Australian Securities Exchange and other stakeholders;

Executive management

- (c) appointing and removing the Chief Executive Officer, Company Secretary and Chief Financial Officer;
- (d) ratifying the appointment of senior management;
- (e) monitoring senior management's performance and implementation of strategy;
- (f) ensuring appropriate resources are available to senior management;
- (g) ensuring that the remuneration and conditions of service are appropriate to attract and retain senior management; and
- (h) establishing and monitoring succession planning for the Board and senior management.

6. In performing the responsibilities set out above, the Board acts at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on it by the Directors' Code, the Company's Constitution and by law.
7. The Board has resolved unanimously that the Group entities will at all times aspire to "best practice" in corporate governance.
8. The Board subscribes to the Group's Code of Conduct.

COMPOSITION OF THE BOARD

9. All directors (except the Managing Director) are elected by shareholders and, thereafter, are subject to re-election at least once every three years. There is no maximum fixed term (assuming re-election) and no compulsory retirement age for non-executive directors.
10. The Board composition is structured so that independent non-executive directors are not in the minority on the Board. The Chairman plays a crucial role in ensuring that the Board works effectively.
11. Appointments to the Board are based on merit against objective criteria that serve to maintain an appropriate balance of skills and experience on the Board.
12. The Nomination & Remuneration Committee recommends appointments to the Board. The most frequently used nomination criteria are:
 - (a) the ability to exercise sound business judgement;
 - (b) a position of leadership or prominence in a specified field;
 - (c) absence of conflicts of interest or other legal impediments to serving on the Board;
 - (d) willingness to devote the required time;
 - (e) freedom from scheduling, or other conflicts, which would prevent attendance at Board or Committee meetings;
 - (f) appropriate experience; and
 - (g) geographic spread.

INDEPENDENCE

13. An independent director is a non-executive director who:
 - (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
 - (b) within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director of the Company within three years after ceasing to hold any such employment;
 - (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
 - (d) is not 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; and
 - (e) has no material contractual relationship with the Company or another Group member other than as a director of the Company.

SUPPORT

14. Directors may, with the consent of the Chairman and with the assistance of the Company Secretary, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their responsibilities. A copy of any advice so received will be made available to all directors.

MEETINGS

15. The Board shall meet at sufficiently regular intervals to properly discharge its duties.
16. The Board has the power to meet by use of telephone or video conference or circulating resolution if deemed appropriate.
17. Each year at least one Board meeting is to be held in conjunction with a visit to Company operations to assist directors in their review of the business.

COMMITTEES

18. From time to time, the Board establishes committees to assist it in discharging its responsibilities. The Board approves the terms of reference for each committee which set out matters relating to the composition, responsibilities and administration of such committees, and such other matters that the Board may consider appropriate.
19. The Board has established the following standing Committees:
 - Audit Committee
 - Risk & Compliance Committee
 - Nomination & Remuneration Committee
20. Each committee is comprised of non-executive directors with the necessary skills and experience. All directors who are not members have a standing invitation to attend committee meetings. The Chairman of each committee reports to the Board on meeting proceedings following each meeting.
21. The Board may also delegate specific responsibilities to ad hoc committees from time to time.

CHAIRMAN

22. The Chairman is elected by the directors for such period as is determined by the directors. The Chairman must be an independent non-executive director. The Chairman and Chief Executive Officer will not be the same person.
23. The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively and for communicating the views of the Board (including through the Chief Executive Officer) to shareholders and the public. In performing this role the Chairman's responsibilities include:
 - (a) setting the agenda of matters to be considered by the Board;
 - (b) managing the conduct, frequency and length of Board meetings so as to ensure that the board maintains an in-depth understanding of the Company's performance and the opportunities and challenges facing the Company;
 - (c) facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;

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- (d) acting as a mentor and independent sounding board to the Chief Executive Office, advising the Chief Executive Officer on likely Board reactions to issues and proposals, keeping directors informally advised as necessary of such matters, convening special Board meetings as required and optimising the working relationship between the Chairman, directors and Chief Executive Officer; and
- (e) initiating a review of the performance of the Board as a whole and all individual directors at least annually.

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

- 24. The Chief Executive Officer, who may also hold the office of Managing Director, is selected by the Board and is subject to annual performance reviews by the non-executive directors.
- 25. The Chief Executive Office is responsible for:
 - (a) managing the Company;
 - (b) reporting to the Board;
 - (c) recommending policy and strategy to the Board for approval; and
 - (d) managing the day to day operations of the Company.
- 26. The Chief Executive Officer is accountable to the Board for the authority that is delegated to the Chief Executive Officer, and the performance of the Group.

COMPANY SECRETARY

- 27. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

DELEGATION OF AUTHORITY

- 28. With the exception of the matters which are specifically reserved to the Board, the Board has delegated to the Chief Executive Officer day to day management of the Group and all authority to achieve the Group's strategic, financial and business objectives.
- 29. The Chief Executive Officer is responsible for:
 - (a) developing business plans, budgets and strategies for the Group for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
 - (b) operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments in the Group's businesses;
 - (c) where a proposed transaction, commitment or arrangement exceeds the parameters set by the Board, referring the matter to the Board for its consideration and approval;
 - (d) identifying and managing operational and other risks and, where those risks could have a material impact on the Group's businesses, developing strategies for managing these risks for consideration by the Board;
 - (e) managing the Group's financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;

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- (f) ensuring that the Board is provided with sufficient information on a timely basis in regard to the Group's businesses and, in particular, with respect to the Group's performance, financial condition, operating results and prospects, to enable the Board to fulfil its governance responsibilities;
- (g) implementing the policies, processes and codes of conduct approved by the Board; and
- (h) implementing policies, processes and procedures for the management and development of the Company's employees.

PERFORMANCE OF DIRECTORS

- 30. The performance of all directors is evaluated by the Chairman each year. Directors whose performance is judged to be unsatisfactory may be asked to retire.

GROUP POLICIES

- 31. The Board endorses and must comply with the Group's policies, processes and codes of conduct including the following:
 - Code of Conduct
 - Continuous Disclosure Policy
 - Securities Trading Policy
 - Whistleblower Policy

This Charter was approved by the Board of Directors on 21 November 2007 and reviewed and amended by the Board on 2 December 2008.

BOARD OF DIRECTORS – CODE OF CONDUCT

A director must act honestly, in good faith and in the best interests of the Company as a whole.

A director has to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.

A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.

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 interests of all stakeholders of the Company.

A director must not make improper use of information acquired as a director.

A director must not take improper advantage of the position of director.

A director must not allow personal interests, of the interests of any associated person, to conflict with the interests of the Company.

A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.

A director should not engage in conduct likely to bring discredit upon the Company.

A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

(From Appendix 1 to the Constitution of the Australian Institute of Company Directors)