



**WORLD TITANIUM
RESOURCES**

**World Titanium Resources
Limited
ACN 120 723 426**

Board Charter

Overview

This Board Charter (the "Charter") sets out the principles under which the Board of Directors (the "Board") of World Titanium Resources (the "Company") will operate.

The Role of the Board

The Board of the Company considers that the essential responsibility of the Directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders. In performing its role, the Board shall act in accordance with the Company's Code of Conduct.

Responsibilities of the Board

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, and goals for management of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include but are not limited to:

- determining the direction, strategies and financial objectives of the Company and monitoring the implementation of such strategies and objectives;
- monitoring the operational and financial position and performance of the Company;
- appointing the CEO, CFO and Secretary for the Company, reviewing the performance of, and removing any such officer;
- ratifying the terms of appointment of senior management of the Company;
- monitoring senior management's performance and their implementation of strategies and budgets;
- ensuring that management has in place appropriate processes for risk assessment, management and internal controls, monitoring the performance of the management against defined and enunciated benchmarks and monitoring the Company's performance in relation to the principles of corporate governance as identified by the Board;
- ensuring the Company complies with its responsibilities under the Corporations Act, the Company's Constitution, the ASX listing rules, and other relevant laws and ethical standards, including responsibilities relating to occupational health and safety, the environment and cultural heritage;
- overall corporate governance including legal compliance systems, as well as monitoring compliance with those systems;
- ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting and disclosure;
- considering and approving the Company's budgets;
- approving significant changes to the organizational structure of the Company, including significant acquisitions, divestiture or changes to the capital of the Company; and
- ensuring directors inform themselves of the Company's business and financial status.

Delegation of Authority

The Board (and, where relevant, any committees established by the Board) have delegated the day-to-day operation and management of the Company's business to the Executive Chairman and the CEO. The executive responsibilities of the Executive Chairman include chief legal counsel, marketing and sales, and co-responsibility with the CEO for Company funding and investor relations. The executive responsibilities of the CEO include preparing the Company's annual strategic plan in conjunction with other management and upon approval by the Board, implementation of such plan, keeping the Board informed of all major project proposals and developments, ensuring that resource development is in accordance with the Company's approved business strategy and any specific directions of the Board, and with the Executive Chairman, funding and investor relations. The CEO is

authorized to delegate such of the powers conferred on him as he deems appropriate to members of the senior management group. The Board will approve and monitor all such delegations of authority from the CEO to senior management.

Performance of senior executives including executive directors is evaluated subjectively by the Board on a continuing basis. Other Board members assist the Executive Chairman and CEO Director as necessary.

Any director may communicate directly with employees of the Company, but such communications are to be made having regard to the efficient operation of the Company and the need to preserve and maintain an effective chain of command and the confidentiality of the deliberations of the Board of Directors.

Board Composition

The majority of the Board should be independent directors. The Independence of directors is to be assessed per annum. Should a director's independence status change, this should be disclosed and explained in a timely manner to the market.

The roles of Chairman and CEO should not be held by the same individual.

The Board should ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:

1. accounting;
2. finance;
3. business;
4. the Company's industry;
5. CEO-level experience; and
6. Relevant technical expertise

The Board should review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

Appointment, Retirement and Re-election

The terms and conditions of the service as a director are set out in the Company's policies and its Constitution.

When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select appropriate candidates, with relevant qualifications, skills and experience. External advisers may be used to assist in such a process.

The Constitution of the Company requires at least one third of the directors, other than the CEO, to retire from office at each Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting following appointment without submitting themselves for re-election. Retiring Directors are eligible for re-election by shareholders.

Review of Performance

The Board should review its performance and composition at least on an annual basis to ensure that it has the appropriate mix of expertise and experience, taking into account the size and nature of the Company's activities.

The Chairman is responsible for the:

- evaluation and review of the performance of the Board and its committees (other than the Chairman); and
- evaluation and review of the performance of individual directors (other than the Chairman)

The Chairman should disclose the process for evaluation of the performance of the Board, its committees and individual directors.

The Board (other than the Chairman) is responsible for the:

- evaluation and review of the performance of the Chairman; and
- review of the effectiveness of the programme of Board meetings.

The process for the performance evaluation of the Board, its committees and directors generally involves an internal review. However the Board may commission an external review of the Board and its composition.

Meetings of the Board

The Board should meet at least six times a year to consider the business of the Company, its financial performance and other operational issues. Five or more directors constitute a quorum.

Each Board meeting will allow for informal discussions between Board members, and the Chairman of the meeting should ensure availability and, if necessary, the attendance at the relevant meeting of any member of senior management responsible for a matter included as an agenda item at the relevant meeting.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulatory resolution, in accordance with the Company's constitution. A circulatory resolution should be approved by the Chairman before being circulated and should normally be preceded by a telephone meeting if practical. A circulatory resolution is to be signed by all Directors and will be entered in the Board minute book.

Committees

The Board has established separately nominated Audit, Remuneration, Nominations and Technical committees.

The committees will act by examining the relevant issues and making recommendations to the Board. Each such committee established will have a formal charter, considered and approved by the Board, setting out its objectives, scope and manner of administration. The charter of each Committee will be reviewed following any applicable regulatory changes and approved by the Board.

Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution. The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

The Board may also determine, from time to time, to establish ad hoc committees to which responsibilities will be delegated to examine specific issues.

Director's Conflict of Interest

Each director has an obligation at Board meetings and concerning the Company generally, to reach decisions which he or she believes to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest. This obligation is set out in greater detail in the Corporate Code of Conduct.

A Director has an obligation under Section 191 of the Corporations Act to give notice of a material personal interest. If the Board determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interest of any associated person, or his or her duties to any other Company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board of Directors will require that the director:

- fully and frankly inform the Board of Directors about the circumstances giving rise to the conflict; and

- abstain from voting on any motion relating to the matter and absenting him or her self from all Board deliberations relating to the matter including receipt of Board papers pertaining to the matter.

If the Board of Directors resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interest, the Board of Directors must minute the full details of the basis of the determination and the nature of the conflict, and must formally resolve to so permit the relevant director as set out in Section 195 of the Corporations Act.

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

Access to information

All Directors are to have unrestricted access to any employees of or contractors to the Company and, subject to the law, access to all Company records and information held by employees and external advisers. The Board must receive regular detailed financial and operational reports from management to enable it to carry out its duties.

To facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense. However, prior approval from the Chairman or the Board is required, which may not be unreasonably withheld.

Recognise and manage risk

The Board is committed to ensuring that the risks associated with Company's business activities are properly identified, monitored and managed using appropriate reporting systems and risk management controls.

The Board is to monitor and receive advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas of risk to be regularly considered at Board meetings are to include intellectual property, changes in government regulation, technology changes, human resources, integrity of data, statutory compliance and continuous disclosure obligations.

Directors' Remuneration

The remuneration of non-executive Directors is different from that of executives. Executive Directors receive a salary and may receive other benefits.

Non-executive Directors receive a set fee per annum, in addition to their statutory superannuation entitlements, and are fully reimbursed for any out-of-pocket expenses necessarily incurred in carrying out their duties. When reviewing Directors' fees, the Board takes into account any changes in the size and scope of the Company's activities.

Where Directors perform extra services on behalf of the Company the Company shall remunerate such directors in addition to Directors' fees. The services and the applicable fees should be documented in a consulting contract between the Director and the Company.

The Board should review the remuneration and policies applicable to all Directors on an annual basis. Remuneration levels are set to attract appropriately qualified and experienced Directors and senior executives relevant to other similar companies. Where necessary, the Board will obtain independent advice on the appropriateness of remuneration packages.

Review

The Policy will be reviewed as required and at least annually to ensure that it continues to reflect the most current guidance provided by the ASX. Any amendments to the Policy will require approval from the Board.

Publication of the Policy

This Charter is available to all directors and staff of the Company. In addition a copy of this Charter is to be placed on the Company's website at www.worldtitaniumresources.com.