

HINDMARSH RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

The Directors of Hindmarsh Resources Limited have adopted certain corporate governance practices. As the Company evolves and expands these will be amended where necessary. A summary of current practices is as follows:

Lay solid foundations for management and oversight.

The Company's only operation at present is the receipt of interest income.

Structure the board to add value

The Board comprises three non-executive directors.

<u>Name</u>	<u>Term in Office</u>
F Creagh O'Connor, Chairman	Since incorporation, 24 September 2003
Robert JS Greenslade	Since incorporation, 24 September 2003
Simon T O'Loughlin	Since incorporation, 24 September 2003

Details of the relevant experience and skills of the directors are set out in the Directors' Report attached to the Annual report. Each director has significant shareholdings.

The Board has agreed that where a director requires independent professional advice he may obtain such at the expense of the Company after consultation with the Chairman.

The structure of the Board does not comply with the principle for a majority of the Board to be independent, but nevertheless the Board believes that the present structure is in the best interests of the Company during its investment seeking stage. All directors are independent.

Promote ethical and responsible decision making

The Board has established a code of conduct to guide the Directors and Company Secretary as to practices necessary to maintain corporate integrity and responsibility.

Safeguard integrity in financial reporting

The Board has not established an audit committee because of the small size of both the Board and the Company. Instead the whole Board monitors performance of the Company closely and in conjunction with the external auditors is satisfied that the reporting systems in place provide accurate and timely reports of the Company's activities and position.

Make timely and balanced disclosures

The Board's established policy is to make timely reports to all stakeholders by way of public announcements and direct reports.

Respect the rights of shareholders

Shareholders are encouraged to participate at general meetings. The external auditors are invited to attend and answer questions at annual general meetings. All enquiries from shareholders are welcome at any time and are responded to promptly.

Recognise and manage risk

The Board does not consider that the current operations of the Company involve any serious degree of risk. Stakeholders will be consulted should the Company undertake a significant investment.

Encourage enhanced performance

Due to the relatively small size of the Company performance evaluation of the Board members and Secretary has not been formally undertaken.

Remunerate fairly and responsibly

Board members are not currently remunerated. The Company has no employees.

Recognise legitimate interests of stakeholders

The Company recognises legitimate interests of stakeholders where appropriate.