



TASMAN RESOURCES NL

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Friday, 1 April 2005

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA. 6000

Attention: Tony Walsh

By facsimile: 08 9221 2020

RE: CORPORATE GOVERNANCE STATEMENT

Please find attached an updated Corporate Governance Statement, based on the Principles of Good Corporate Governance and Best Practice Recommendations set by the Australian Stock Exchange Corporate Governance Council.

Yours sincerely

Raymond Buscall
Company Secretary
Tasman Resources NL

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

The Board of Directors is responsible for the corporate governance of the company. The Board monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board of Directors acknowledge the Principles of Good Corporate Governance and Best Practice Recommendations set by the Australian Stock Exchange ("ASX") Corporate Governance Council. However, in view of the Company's current size and extent and nature of operations, full adoption of the recommendations is currently not practical. The Board will continue to work towards full adoption of the recommendations in line with growth and development of the Company in the years ahead. Where the Company's framework was different to the Principles of Good Corporate Governance and Best Practice Recommendations set by the ASX Corporate Governance Council, it has been noted below.

A summary of the current corporate governance practices as adopted by the Board are as follows;

The Board of Directors

Board Responsibilities

The Board assumes responsibility for overseeing the affairs of the Company by ensuring that they are carried out in a professional and ethical manner and that business risks are effectively managed.

The board carries out its responsibilities according to the following mandate;

- The Company's Constitution fixes the number of Directors to at least three directors and not more than six. The Board currently consists of three, with at least two-thirds being non-executive directors;
- The directors should possess a broad range of skills qualifications and experience;
- The Company's Constitution requires that not less than one third of the all the Directors other than the Managing Director retire by rotation at each annual general meeting. Directors appointed during the period since the last annual general meeting of the company must submit themselves for election at the next Annual General Meeting;
- The full board meets formally to conduct appropriate business. The Board uses resolutions in writing signed by all Directors to deal with matters requiring decisions between meetings;
- All available information in connection with items to be discussed at a meeting of the board shall be provided to each director prior to that meeting.

The primary responsibilities of the Board include;

- Review and ratify systems of risk management and internal compliance and control, codes of conduct, legal compliance, and any other regulatory compliance;
- Approve and monitor the progress of major capital expenditure, capital management, and acquisition and divestitures;
- Approve and monitor financial and other reporting to shareholders and the market;

- Monitor the Board composition, Director selection, Board process and performances and ensure Directors have an understanding of the consolidated entities business;
- Monitor and influence the key standards of the consolidated entity including Ethical Standards, reputation and culture;
- The approval of the annual and half-yearly financial report;
- The review and adoption of annual budgets for financial performance of the consolidated entity and the monitoring of results;
- Ensuring that the consolidated entity is able to pay its debts as and when they fall due.

The Company discloses the details of qualifications and experience of each Director in its annual report.

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

The Company does not have a majority of independent directors;
The Chairman of the Board is an executive director .

Board Committees

Remuneration Committee

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

The Company does not have a Remuneration Committee. The Board believes that, with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function.

The Company's Constitution allows for a maximum amount per annum to be paid to non-executive directors to be allocated at the discretion of the Directors. Any changes to the annual amount must be approved at a General Meeting of members of the Company.

Audit Committee

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

The Company does not have an Audit Committee. The Board believes that, with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function.

Nomination Committee

Due to the Company's current size and extent of nature and operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred;

The Company does not have a Nomination Committee. The Board believes that, with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function.

Independent Professional Advice

With prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the consolidated entity's expense concerning any aspect of the consolidated entity's operations or undertaking in order to fulfil their duties and responsibilities as directors.

Ethical Standards

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that Directors, officers and employees must:

- Comply with the law;
- Act in the best interests of the Company;
- Be responsible and accountable for their actions; and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

Trading Policy

It is the company's policy to encourage Directors and employees to own Shares in the Company. The trading in shares policy reinforces the obligations of Directors and employees of the Company, under the Corporations Act 2001 and the ASX Listing Rules in relation to trading in Company Shares. The policy restricts directors and employees from acting on material information until it has been released to the market. Directors are required to report share trading to the Company Secretary.

Continuous Disclosure

The Executive Chairman and Company Secretary have been appointed as the persons responsible for communications with the ASX. These people are also responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX.

The Executive Chairman and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meetings. The Company adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed.

Risk Management

The Board is responsible for the consolidated entity's system of internal controls. The Board constantly monitors the operation and financial aspects of the consolidated entity's activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face the consolidated entity.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the consolidated entity has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

The Company does not have a full time chief executive officer or chief financial officer and therefore statements are not obtained from such persons in relation to Best Practice Recommendation 4.1.

Code of Conduct

As part of the Board's commitment to the highest standard of conduct, the consolidated entity requires executives, management and employees in carrying out their duties and responsibilities to act ethically and lawfully with respect to all transactions and matters including:-

- Responsibilities to shareholders;
- Compliance with laws and regulations;
- Relations with customers and suppliers;
- Ethical responsibilities;
- Employment practices; and
- Responsibilities to the environment and the community.

Due to the Company's current size and extent and nature of operations, the following departures from the Principles of Good Corporate Governance and Best Practice Recommendations have occurred:-

The Company has not established a Formal Code of Conduct in accordance with Best Practice Recommendation 10.1.

Communicating with Shareholders

The Board ensures that shareholders are kept informed of all major developments that affect their shareholding or the Consolidated Entity's State of Affairs through quarterly, half yearly, annual and ad hoc reports. All shareholders are encouraged to attend the Annual General Meeting to meet the Chairman and Directors and to receive the most updated report on the consolidated entity's activities.

The Company maintains a website at www.tasmanresources.com.au to provide shareholders with information of the Company's activities. Shareholders may communicate with the Company through its email address.