

TOP END URANIUM LIMITED

Corporate Governance Statement

As an integral part of its preparations to list on the Australian Securities Exchange ("ASX"), the Company has considered and set up a framework for embracing the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations"). The Company has followed each of the Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Company and the Board, the resources available to the Company and the activities of the Company. Where, after due consideration the Company's corporate governance policies depart from the Recommendations, the Board has outlined the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is available on the Company's web site at www.teu.com.au.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations. It is noted that given the Company has only recently been incorporated some of the Recommendations have not yet been applicable to the Company (i.e. annual reporting requirements) however will be considered by the Board as required. As the Company's activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

Recommendation

- 1.1 Formalise and disclose functions reserved to the board and those delegated to management.
- 2.1 A majority of the board should be independent directors.

Top End Uranium Limited current practice

Satisfied. Board charter will be available prior to listing at www.teu.com.au

Not satisfied.

None of the directors currently satisfy the test of independence set out in Box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Independence Test").

Mr Riekie does not fulfil the Independence Test because he is a principal of a material professional adviser of the Company.

Mr Riekie is a principal of the firm Grange Consulting Group Pty Ltd ("Grange"). Grange has been engaged to provide corporate advisory, company secretarial and financial management services to the Company. As a result of being a principal of Grange, Mr Riekie does not meet the criteria set out in paragraph 3 of the Independent Test. The Board of the Company (in the absence of Mr Riekie) considers he is capable of and demonstrates that he consistently makes decisions and take actions which are designed to be in the best interests of the Company and therefore consider him to possess the characteristics required of a person who would be eligible to take the role of an independent director. The Board notes that the fees payable to Grange are not high enough to

be considered material to Mr Riekie's practice or the firm Grange and are also not material to the Company.

Messrs Hopkins, Lamont and Richer do not satisfy the Independence Test as they are directors of North Australian Diamonds Limited ("NADL") a substantial shareholder of the Company.

The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history and director's experience and knowledge of the Company's mineral assets. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company.

The Board intends to reconsider its composition as the Company's operations evolve, and may appoint additional independent directors as it deems appropriate.

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| 2.2 | The chairperson should be an independent director. | Not satisfied.

As noted in Section 2.1 above Mr Riekie does not satisfy the Independence Test. |
| 2.3 | Roles of chairperson and CEO should not be exercised by same person. | Satisfied. The role of chairperson of the Board is and the chief executive officers are not exercised by the same person with Mr Richer appointed as CEO/Executive Director and Mr Riekie as chairman of the Board. |
| 2.4 | The board should establish a nomination committee. | Not satisfied. The full Board will consider the matters and issues arising that would usually fall to the nomination committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. |
| 2.5 | Annual Report requirements : | Not currently applicable. The Company is yet to prepare an Annual Report however intends to incorporate all information as required. |
| 3.1 | Establish a code of conduct | Satisfied. Code of conduct will be available prior to listing at www.teu.com.au |
| 3.2 | Disclose policy concerning trading in company's securities by directors, officers and employees involved in material transactions or privy to material information. | Satisfied. Trading in securities policy will be available prior to listing at www.teu.com.au |
| 3.3 | Report and disclose 3.1 and 3.2. | Satisfied. Available prior to listing at www.teu.com.au |
| 4.1 | Require CEO and CFO to state in writing to the board that the company's financial reports | Not currently applicable. The Company is yet to prepare financial reports having only recently |

	present a true and fair view, in all material respects, of the company's financial condition and operational results, and are in accordance with relevant accounting standards.	been incorporated.
4.2	The board should establish an audit committee.	Not satisfied. A separate audit committee has not been established. Given the Company is in its early stages of development, the Board does not consider that the Company will gain benefit from a separate audit committee. The full Board carries out the duties of the audit committee and follows the Audit Committee Charter.
4.3	Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors, the chairperson is independent and not the chair of the board and it has at least three members.	Not satisfied. The role of the audit committee is undertaken by the full Board which currently comprises 4 non-executive, non-independent directors.
4.4	The audit committee should have a formal charter.	Satisfied. Audit Committee Charter will be available prior to listing at www.teu.com.au
4.5	Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report.	Not currently applicable. No audit meetings have been required to be undertaken to date.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior management level for that compliance.	Satisfied. Continuous disclosure policy will be available prior to listing at www.teu.com.au
5.2	Post 5.1 on website	Satisfied. Refer 5.1
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with shareholders policy will be available prior to listing at www.teu.com.au
6.2	Request the external auditor to attend the annual general meeting and be available to answer questions about the conduct of the audit and the content and preparation of the auditor's report.	Not currently applicable. Given the Company was only recently incorporated it has not yet held an AGM. The external auditor will however be requested to attend the Company's AGM in the future.
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Satisfied. Risk management policy will be available prior to listing at www.teu.com.au
7.2	The chief executive officer and chief financial officer should provide a statement to the board in writing relating to financial integrity and risk management.	Not currently applicable.
7.3	Report and disclose 7.1 and 7.2	7.1 Satisfied. Refer 7.1 7.2 Not currently applicable. Refer 7.2.
8.1	Disclose the policy for performance evaluation of the board, the committees and individual directors and key executives	Not satisfied. The Company has not yet established formal performance review measures for key executives. The Chairman will review the performance of Directors and key executives on

a regular basis.

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| 9.1 | Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance. | Not currently applicable. To be provided in the Company's 2008 Annual Report. |
| 9.2 | The board should establish a remuneration committee. | Not satisfied.
Due to the structure of the Board, a separate remuneration committee is not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board considers that it is more appropriate that it set aside time at Board meetings to address matter that would normally fall to the remuneration committee.
The full Board will consider matters of remuneration, in accordance with the Remuneration Committee Charter.
In addition all matter of remuneration will continue to be determined in accordance with the Corporations Act requirements, especially in relation to related party transactions. That is no director will participate in any deliberations regarding their own remuneration or related issues. |
| 9.3 | Clearly distinguish the structure of non-executive directors' remuneration from that of executives. | Details of executive and non-executive remuneration are outlined in the Company's IPO Prospectus. |
| 9.4 | Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. | Satisfied. Equity based remuneration is to be approved by shareholders. |
| 9.5 | Report on the above matters. | Not currently applicable. The Company is yet to prepare an Annual Report however intends to incorporate all information as required. |
| 10.1 | Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate shareholders. | Satisfied. Code of conduct will be available prior to listing at: www.teu.com.au |