fusion resources limited

ANNUAL INFORMATION FORM

FOR
FINANCIAL YEAR ENDED JUNE 30, 2008

SEPTEMBER 30, 2008

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CORPORATE STRUCTURE

Name, Address and Incorporation

Fusion Resources Limited (the "**Company**" or "**Fusion**") was incorporated pursuant to the *Corporations Act 2001 (Cth)* (the "*Corporations Act*") in Australia on May 14, 2002 under the name Oremont Limited. Fusion changed its name from Oremont Limited to Echelon Resources Limited on November 25, 2004 and then to Fusion Resources Limited on August 20, 2007. Fusion has been listed on the Australian Securities Exchange (the "**ASX**") since May 3, 2005 and on the Toronto Stock Exchange (the "**TSX**") since May 29, 2008.

Fusion's registered and head office is located at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000.

Intercorporate Relationships

Fusion has two wholly owned Australian subsidiaries, namely, Fusion Exploration Pty Ltd (formerly Echelon Holdings Pty Ltd) and Fusion Minerals Pty Ltd (formerly Echelon (Iron Ore) Pty Ltd). The intercorporate relationship among Fusion and its subsidiaries is as follows:

Name	Jurisdiction of Incorporation	Reference	% of Voting Securities Held
Parent Entity:			
Fusion Resources Limited	Australia	Fusion	
Subsidiaries of Fusion:			
Fusion Minerals Pty Ltd	Australia	Fusion Minerals	100
Fusion Exploration Pty Ltd	Australia	Fusion Exploration	100

Unless the context otherwise requires, references in this Annual Information Form to the "Company" or "Fusion" are references to Fusion Resources Limited, Fusion Exploration Pty Ltd and Fusion Minerals Pty Ltd.

All dollar figures in this Annual Information Form are in Australian dollars, signified by "**A$**", unless otherwise stated.

GENERAL DESCRIPTION OF THE BUSINESS

Description of the Business

The Company is a mineral exploration company focused on uranium exploration in Queensland, Australia. The Company has a portfolio of prospective uranium, gold and base metal projects located in the State of Queensland in Australia.

The Company's principal asset is the Valhalla North Project located in the Mount Isa province in northern Queensland, approximately 45 kilometres to the north of the Valhalla and Skal Uranium Deposits operated by Summit Resources Limited ("**Summit**").

Fusion also has a number of other uranium, gold and base metal exploration projects located in Queensland, including the Mary Kathleen South and Andersons South uranium exploration projects.

Three Year History

The Company was incorporated in Australia in 2002 for the purpose of mineral exploration. On February 28, 2005, the Company acquired a package of exploration tenements and interests in joint ventures from Leyshon Resources Limited ("**Leyshon**") for the issue of 2,500,000 options to acquire ordinary shares (the "**Shares**") at an exercise price of Australian A$0.20 each, with an expiry date of December 31, 2007, which were subsequently exercised in full on May 16, 2007, for gross proceeds of A$500,000.

In April 2005, the Company completed a public offering of 10,000,000 Shares for gross proceeds of A$2,000,000 and an offering to Leyshon of 10,112,877 Shares to raise gross further proceeds of A$2,000,000.

On April 28, 2005, the Company was admitted to the official list of the ASX. On May 3, 2005, the Shares commenced trading on the ASX under the trading symbol "ECH". As a consequence of the Company's name change on August 20, 2007, the Shares now trade on the ASX under the symbol "FSN".

At the time of listing on the ASX, Fusion held a portfolio of exploration properties in Queensland, Australia, prospective for uranium, gold and base metal mineralization, with exploration activity being primarily managed by the Company's joint venture partners, Newcrest Operations Limited, BHP Billiton Minerals Pty Ltd and Xstrata plc ("**Xstrata**").

After listing on the ASX, Fusion continued to progress its uranium, gold and base metal exploration projects in Queensland and also acquired a package of iron ore tenements in the Pilbara region of Western Australia, including the Buckland Hills, Koodaideri South and Maitland River Projects, from Ausi Iron NL on June 28, 2005 for consideration of A$5,000, 1,750,000 fully paid ordinary shares, and 3,250 unlisted convertible preference shares (convertible into 3,250,000 fully paid ordinary shares upon certain milestones). These tenements were subsequently sold to Iron Ore Holdings Limited ("**IOH**"), an ASX listed company, in consideration for 3,500,000 shares of IOH in April 2007.

On October 4, 2005, Fusion entered into an agreement with Cazaly Resources Limited ("**Cazaly**") to provide technical capability and to fund an exploration drilling program on the Shovelanna Iron Ore Project ("**Shovelanna**") in exchange for a 14% interest in Shovelanna subject to the tenement being granted to Cazaly. On September 21, 2005, Rio Tinto Limited opposed Cazaly's application to the Minister for State Development on the ground that it offended the public interest. On April 21, 2006, the Minister terminated Cazaly's Shovelanna application. The appeal by Cazaly of this decision was unsuccessful, and as a result, the agreement between Fusion and Cazaly ended and Fusion did not earn an interest in the Shovelanna Iron Ore Project. No consideration was paid to Cazaly.

Fusion announced the public float of its wholly owned subsidiary Sovereign Metals Limited ("**Sovereign**") on November 3, 2006. In November 2006, Fusion transferred certain of its copper projects located in the Cloncurry/Mount Isa region of Queensland (including the tenements covered by Fusion's joint venture with Xstrata) to Sovereign for 5,000,000 shares in Sovereign, 2,500,000 options to acquire shares in Sovereign at A$0.20 and 2,500 convertible preference shares in Sovereign (convertible into 2,500,000 fully paid ordinary shares upon certain milestones). Sovereign and its wholly owned subsidiary Sovereign Cloncurry Pty Ltd ceased to be Fusion-controlled entities on January 11, 2007. Sovereign commenced trading on the ASX on January 22, 2007.

In 2006, Fusion commissioned a detailed report by external consultants which identified the potential for Valhalla style uranium mineralization on the Company's Valhalla North Project, following the discovery of historical drillhole data relating to the tenements, which are located directly north of Summit's tenements containing the Valhalla and Skal Uranium Projects. In addition, the Andersons South and Mary Kathleen South Projects were also identified as prospective for uranium mineralization.

Following this review, the Company accelerated its exploration activities on the uranium potential of its properties and changed its name from Echelon Resources Limited to Fusion Resources Limited on August 20, 2007.

Fusion raised A$18,000,000 by issuing 12,000,000 Shares at A$1.50 per Share through a private placement on July 30, 2007.

The Company is currently focused on maximizing the value of its exploration assets in Queensland, Australia, by implementing an aggressive exploration program on the Valhalla North Project, with a strong emphasis on the application of modern exploration technologies and targeted drilling and by continuing to examine new opportunities in mineral exploration, particularly in the energy sector.

On May 14, 2008, the Company filed a non-offering prospectus and as of that date, became a reporting issuer in British Columbia. Additionally, on May 29, 2008, the Company listed its ordinary shares on the TSX.

Objectives and Strategy

The Company's principal objectives are:

- to complete a Mineral Resource Estimate (in accordance with the JORC Code and National Instrument 43-101 ("**NI 43-101**")) on the Valhalla North Project in 2008;
- to continue exploration of the Company's other uranium, gold and base metal projects located in Queensland, Australia; and
- to identify new opportunities in mineral exploration and/or development, particularly in the energy sector.

To achieve its principal objectives, the Company proposes the following strategies during the next 12 months:

- to continue its active exploration program on the Valhalla North Project;
- to continue its active exploration programs on the Company's other uranium, gold and base metal projects located in Queensland, Australia; and
- to continue to actively review new business development opportunities for other acquisitions, joint ventures, or investments in the resources or energy sectors, both domestic and international.

URANIUM MINING IN AUSTRALIA

Australian Uranium Mining Policy

In 1996, the newly elected Commonwealth Liberal-National Coalition Government abolished the so-called "no new mines" policy of the outgoing Australian Labor Party, which employed Commonwealth powers over export licences to limit uranium mining to the three then-existing mines (Ranger in the Northern Territory and Olympic Dam and Nabarlek in South Australia). The Labor Party's firm opposition to increased uranium mining had halted the development of several new uranium mines during the period 1983 to 1996.

On April 28, 2007, the Commonwealth Government and the federal Labor party separately announced new uranium policies. The Commonwealth Government has proposed both a new uranium strategy and work plans that will repeal existing Australian Government legislation prohibiting nuclear activities (including relevant environmental protection legislation), with the goal of increasing uranium exports and preparing for a potential expansion of the nuclear industry in Australia. The federal Labor party's announcement came as a result of the abolition of its 25-year ban on new uranium mines by vote at its 2007 national conference, leaving it up to each State to decide whether to allow uranium mining. While South Australian Premier, Mike Rann, and Northern Territory Chief Minister, Clare Martin, have come out in favour of the new uranium policy, to date, Queensland's Premier, Anna Bligh, has declined to lift its ban on uranium mining.

Uranium Mining and Exploration Legislation in Australia

The day to day regulation of the Australian uranium mining industry is mainly a State/Territory Government responsibility. Uranium mining and exploration, in addition to general mining legislation, it is governed by legislation specific to the industry. The *Radiation Safety Act* 1999, *Radiation Safety (General) Regulations* 1983 and the *Radiation Safety (Transport of Radioactive Substances) Regulations* 2002 apply in the State of Western Australia and the *Radiation Safety Act* 1999 and *Radiation Safety Regulations* 1999 apply in Queensland. However the Commonwealth Government has a number of specific interests and responsibilities in relation to the regulation of uranium which are exercised through some key legislative and administrative arrangements.

Under the *Atomic Energy Act* 1953 the Commonwealth retains ownership of all uranium found in all Australian Territories. Under section 36(1) of the Act, a person who discovers uranium anywhere in Australia must report that discovery in writing to the Commonwealth Minister for the time being administering that section of the Act, within one month of making the discovery.

The *Environmental Protection and Biodiversity Conservation Act 1999* ("**EPBC Act**") is the principal legislative means by which the environmental impacts associated with the mining, use and disposal of nuclear material are regulated. The EPBC Act identifies a number of areas of Commonwealth environmental jurisdiction, one of which is 'nuclear actions'. Where a nuclear action has, will have, or is likely to have, a significant impact on the environment, approval must be granted by the Commonwealth Environmental Minister before the project can continue. The approval is based on the outcomes of Commonwealth environmental assessment and approval process, often (and usually) undertaken jointly with State/Territory governments.

The *Nuclear Non-Proliferation (Safeguards) Act* 1987 is the Australian legislation adopting the 1973 Treaty on the Non-Proliferation of Nuclear Weapons, which has the objective of ensuring the physical security of nuclear material within Australia. The legislation imposes a permit requirement and approval from the Australian Safeguards and Non-Proliferation Office for the possession of nuclear material (which includes uranium).

The *Australian Radiation Protection and Nuclear Safety Act* 1998 is for the protection of human health and the environment from the harmful effects of radiation. The transportation of uranium and any by-products is regulated through general provisions in the legislation which relate to radiation hazards. The Act also provides for the setting up of the Australian Radiation Protection and Nuclear Safety Agency which has a key function to develop codes of practice to regulate the uranium industry.

RISK FACTORS

Uranium – Government Regulation and Policy

Uranium mining in Australia is subject to extensive regulation by Commonwealth and State Governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Accordingly, the approval processes for uranium mining are more rigorous than for the mining of other metals due to the need to comply with such laws and regulations, as both Commonwealth and State Government legislation needs to be satisfied. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production faculties. Currently, uranium mining in Queensland and Western Australia is prohibited. Unless uranium mining is sometime in the future permitted in Queensland generally, and on the Company's projects in particular, the Company will not be in the position to conduct any uranium mining on its tenements and, as a result, will not be in a position to derive any commercial benefit from any uranium which may be discovered on the Company's projects.

While there is no such restriction on the Company exploring and evaluating its uranium prospects, the development of any discovered uranium deposits will be contingent upon a change of Queensland State Government policy in relation to uranium production. There can be no assurance that the policy will change in the future and this may adversely affect the long-term prospects of the Company.

The Company Has No History of Earnings and No Production Revenues

Fusion has no history of earnings and has not commenced commercial production on any of its properties. The Company has experienced losses from operations for each of the years ended June 30, 2005 to June 30, 2008 and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with advancing exploration, and, if permitted, development and, eventually, commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Negative Operating Cash Flow

To date, the Company has experienced a negative operating cash flow and has not recorded any revenues from its mining operations.

No Mineral Resources or Mineral Reserves

There are no identified mineral resources and no known commercial quantities of mineral reserves at the Valhalla North Project, or on any of the Company's other properties. There can be no assurances that Fusion will identify mineral resources or establish economic quantities of mineral reserves.

Exploration and Development Stage Operations

The Company's operations are subject to all of the risks normally incidental to the exploration for and the development and operation of mineral properties. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

All of the properties in which the Company has an interest, including the Valhalla North Project, are in the exploration stage only and are without a known body of commercial ore. Development of any of the Company's mineral properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralization, consistency and reliability of ore grades and commodity prices affect successful project development. Few properties that are explored are ultimately developed into producing mines.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all.

There can be no assurance that the Company's mineral exploration activities will be successful. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Need for Additional Financing and Dilution

Fusion's properties are in the exploration stage and therefore Fusion has no source of operating cash flow. The Company will require additional capital in the future in order to further explore and develop the Valhalla North Project and its other properties and, if exploration and development is successful, to bring any project or property into commercial production. The laws in Australia, where the Company's principal properties are located, may make it more difficult for the Company to obtain any financing for its projects. The Company intends to raise additional funds in the future to further explore and develop the Valhalla North Project and its other properties. Additional funds may also be required for potential acquisitions of new projects. The only sources of funds presently available to Fusion are the sale of additional equity capital, or the entering into of joint ventures or other strategic alliances, whereby the funding sources could become entitled to an interest in the properties or projects. The Company can give no assurances that the capital required to fund additional exploration and/or the acquisition of new projects will be available at all or available on terms acceptable to the Company. Issuances of additional securities will result in a dilution of the equity interests of any person who is a holder of Shares of the Company. If adequate funds are not available, the Company may be required to delay, reduce the scope of or eliminate one or more exploration activities or relinquish rights to certain of its interests.

No History of Dividends

Fusion has never paid a dividend on its Shares and does not expect to pay a dividend in the foreseeable future. Any future determination to pay dividends will be at the discretion of the board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant. Accordingly, it is likely that investors will not receive any return on their investment in Shares of the Company other than possible capital gains.

Fluctuations in Uranium, Metal and Mineral Prices

The prices of uranium, gold, base metals and other minerals fluctuate widely and are affected by numerous factors beyond the control of Fusion, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of uranium, gold, base metals and other minerals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers. Future production, if any, from Fusion's mining properties will be dependent upon the price of uranium, gold, base metals and other minerals being adequate to make these properties economic. Future serious price declines in the market value of uranium, base metals or other minerals could cause continued development of, and eventually commercial production from, the Valhalla North project and the Company's other properties to be rendered uneconomic. Depending on the prices of uranium, gold, base metals and other minerals, Fusion could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even if commercial quantities of uranium, gold, base metals or other minerals are produced, a profitable market will exist for them.

In addition to adversely affecting future reserve estimates, if any, of Fusion and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The mining, processing, development and mineral exploration activities of Fusion are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of Fusion are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on Fusion. The state government of Queensland, where Fusion presently owns uranium exploration properties, including the Valhalla North Project, presently does not permit the mining of uranium.

Environmental Risks and Regulations

All phases of Fusion's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set the limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Fusion's operations. Environmental hazards may exist on the properties on which Fusion holds interests which are unknown to Fusion at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently and may in the future be required in connection with the operations of Fusion. To the extent such approvals are required and not obtained, Fusion may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Fusion and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

Native Title

The *Native Title Act 1993 (Cth)* recognizes and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans. Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining licences, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

All tenements granted prior to 1 January 1994 are valid or validated. Tenements granted between 1 January 1994 and 23 December 1996 may be invalid if they fail to comply with the Native Title Act or for certain other reasons because of native title. However, such invalid tenements may be validated if certain statutory criteria are met. For tenements to be validly granted (or renewed) after 23 December 1996 the special "right to negotiate" regime established by the Native Title Act must be followed.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

Other Operations Risks

Changes, if any, in mining or investment policies or shifts in political attitude in Australia may adversely affect the operations or profitability of Fusion. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Insurance and Uninsured Risks

The business of Fusion is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of Fusion or others, delays in mining, monetary losses and possible legal liability.

Although Fusion maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and Fusion may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Fusion or to other companies in the mining industry on acceptable terms. Losses from these events may cause Fusion to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Licences and Permits

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

Title to Properties

There can be no assurances that Fusion's interest in its properties is free from defects. The Company has investigated its rights as set forth in this Annual Information Form and believes that these rights are in good standing. There is no assurance, however, that such rights and title interests will not be revoked or significantly altered to the detriment of the Company. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties.

Competition

The Company competes with other companies, some which have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company competes with other mining companies for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

Dependence on Key Personnel

The Company is reliant on key personnel employed or engaged by the Company. Loss of such personnel may have a material adverse impact on the performance of the Company. In addition, the recruiting of qualified personnel is critical to the Company's success. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Volatility of Stock Exchange Prices and Volume

The market price of a publicly traded stock is affected by many variables not all of which are directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Fusion's securities. The development of a liquid market in the Shares on the TSX will depend on the number of holders who elect to hold their Shares on the Canadian sub-register.

Risk Regarding Short Term Investments

The Company may from time to time invest excess cash balances in short term commercial paper or similar securities. Recent market conditions affecting certain types of short term investments of some North American and European issuers have resulted in restricted liquidity for these investments. Although the Company has not invested and does not intend to invest excess cash balances in securities issued by these affected issuers, there can be no guarantee that further market disruptions affecting various short term investments will not have a negative effect on the liquidity of similar investments made by the Company.

Conflicts of Interest

Certain directors of Fusion are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Fusion. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors may conflict with the interests of Fusion. Directors of Fusion with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Effecting Service of Process

All of Fusion's directors reside outside of Canada and the assets of these persons are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named in this Annual Information Form. It may also not be possible to enforce against Fusion, its directors and officers, and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Financial Statements Risks

Estimates and assumptions used in preparing consolidated financial statements and actual amounts could differ.

MINERAL PROJECTS

Details of the Valhalla North Project

The following technical information relating to the Company's Valhalla North Project (the "**Valhalla North Project**") is an extract from the technical report dated May 12, 2008 entitled the Technical Report on its Valhalla North Project in Queensland Australia for Fusion Resources Limited (the "**Technical Report**") by J. John G. Doepel, Principal Geologist of Continental Resource Management Pty Ltd ("**CRM**") prepared in accordance with National Instrument 43-101 — "Standards of Disclosure of Mineral Projects" ("**NI 43-101**"). The Technical Report is available under the Company's name on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. The detailed disclosure contained in the Technical Report is incorporated into this Annual Information Form by reference.

Introduction
The report is on the Valhalla North Project owned by Fusion Resources Limited ("**Fusion**") in northern Queensland, Australia. Fusion was formerly named Echelon Resources Limited. The project is comprised of two granted tenements and one tenement application that together have an area of 622.3km^2. The project contains the advanced Duke-Batman and Honeypot Prospects and is being explored for uranium mineralization by Fusion. It is also prospective for copper mineralisation.

Location
The project is situated within the Proterozoic Mount Isa Block in northwest Queensland, about 80km north of the mining city of Mount Isa (Figure 1).

Ownership
Fusion has a 100% interest in the project.

Geology and Mineralisation
The Valhalla North Project is within the Proterozoic Mount Isa Block. The block contains MesoProterozoic sequences of sediments and volcanics, deposited over a PaleoProterozoic Basement Sequence of gneisses, schists, quartzites and migmatites. Granitoids of various ages intrude both the older and the younger sequences.

Uranium mineralisation within the Valhalla North Project is principally hosted by albite-apatite-haematite-silica alteration in fracture zones within basalt, tuffaceous volcanics, and sediments of the MesoProterozoic Eastern Creek Volcanics.

Exploration Concepts
Fusion's primary exploration concept within the project area has been to acquire detailed radiometric data over the tenements and to follow-up significant anomalies, initially by means of detailed mapping, rock chip sampling, and soil sampling, followed by the drill-testing of priority targets. In those locations that significant uranium mineralisation is shown to be present, its strategy is to proceed to resource definition in the shortest possible timeframe utilising effective and efficient exploration techniques.

Status of Exploration
Fusion has completed a detailed airborne radiometric and aeromagnetic survey of the entire project area, carried out rock chip sampling and detailed geological mapping and soil sampling of four prospects. It has also carried out first-pass drill-testing of radiometrically anomalous areas at the same prospects and follow-up and resource drilling of the most significant zone of mineralisation at its Duke-Batman Prospect.

Resources, Development, and Operations
No resources have been established within the project areas and no development or operations have taken place.

Conclusions
The results obtained to date from Fusion's drilling at its Valhalla North Project are encouraging. Uranium grades intersected to date at the Duke-Batman Prospect are potentially economic and multiple zones of fracturing and alteration have been encountered. Drilling over a strike length of one kilometre at the Honey Pot Prospect indicates significant widths of alteration and uranium mineralisation within a uranium channel anomaly that has a

(discontinuous) length of four kilometres. There is also potential for additional areas of uranium mineralisation to be discovered within the project area.

Recommendations
Within the Valhalla North Project mineralogical identification of the uranium minerals within the mineralised intervals at the Duke-Batman and Honey Pot Prospects should be carried out, systematic drill-testing of the full extent of the Honey Pot mineralisation should take place, and the Central Prospects should be subject to detailed mapping and sampling.

Exploration Update on the Valhalla North Project

The following technical information relates to exploration results received subsequent to the date of the Technical Report and is based on information compiled by Mr. Robert Waugh, Exploration Manager of Fusion.

Since the date of the Technical Report the following exploration activities have occurred in relation to the Company's Valhalla North Project.

- In March 2008, the Queensland Department of Mines and Energy granted the Company's application for an exploration permit for minerals ("EPMA") 16006. The Valhalla North Project now comprises three granted exploration permits for minerals ("EPMs") that together have an area of 622 square kilometres.

- In July 2008, Fusion completed a follow-up reverse circulation ("RC") and diamond drilling program at its Duke Batman and Honey Pot Prospects, both of which are located within the Company's 100% owned Valhalla North Project.

Duke Batman Prospect

- The follow-up drilling program at the Duke Batman Prospect comprised 40 RC holes for a total of 5,276m and six diamond holes for a total of 641m. Assay results returned from the 40 RC holes included the following best intercepts (see Fusion's News Releases dated September 19, 2008 and June 5, 2008 at www.sedar.com):

    - FVN131: 34m @ 1,720ppm (0.172%) U_3O_8;
    - FVN112: 14m @ 2,130ppm (0.213%) U_3O_8;
    - FVN061: 14m @ 1,595ppm (0.160%) U_3O_8; and
    - FVN133: 11m @ 1,110ppm (0.111%) U_3O_8.

- The results from the follow-up drilling program at the Duke Batman Prospect have confirmed thick, high grade zones of uranium mineralisation over 700m of strike. Significant intercepts were recorded from as shallow as 4m to a maximum of 220m down hole. Furthermore, 49% of holes recorded two or more intercepts, indicating the potential for multiple mineralised zones.

- Fusion is currently finalising a uranium mineral resource estimate in accordance with the JORC code and National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" in relation to the Duke Batman Prospect, which is expected to be released in the December 2008 quarter.

Honey Pot Prospect

- The follow-up drilling program comprised 30 RC holes for a total of 3,216m and three diamond holes for a total of 331m. Assay results returned from the 30 RC holes included the following best intercepts (see Fusion's News Release dated July 9, 2008 at www.sedar.com):

    - FVN086: 17m @ 1,294ppm (0.129%) U_3O_8;
    - FVN091: 10m @ 1,357ppm (0.136%) U_3O_8;
    - FVN092: 8m @ 1,200ppm (0.120%) U_3O_8; and
    - FVN096: 5m @ 1,254ppm (0.120%) U_3O_8.

- The results from the follow-up drilling program at the Honey Pot Prospect have confirmed thick, high grade zones of uranium mineralisation over more than 1,500m of strike. Significant intercepts from the recent drilling have been recorded from as shallow as 13m to a maximum of 167m down hole. Furthermore, 37% of holes recorded two or more intercepts, indicating the potential for multiple mineralised zones.

- Fusion is currently finalising a uranium mineral resource estimate in accordance with the JORC code and National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" in relation to the Honey Pot Prospect, which is expected to be released in the December 2008 quarter.

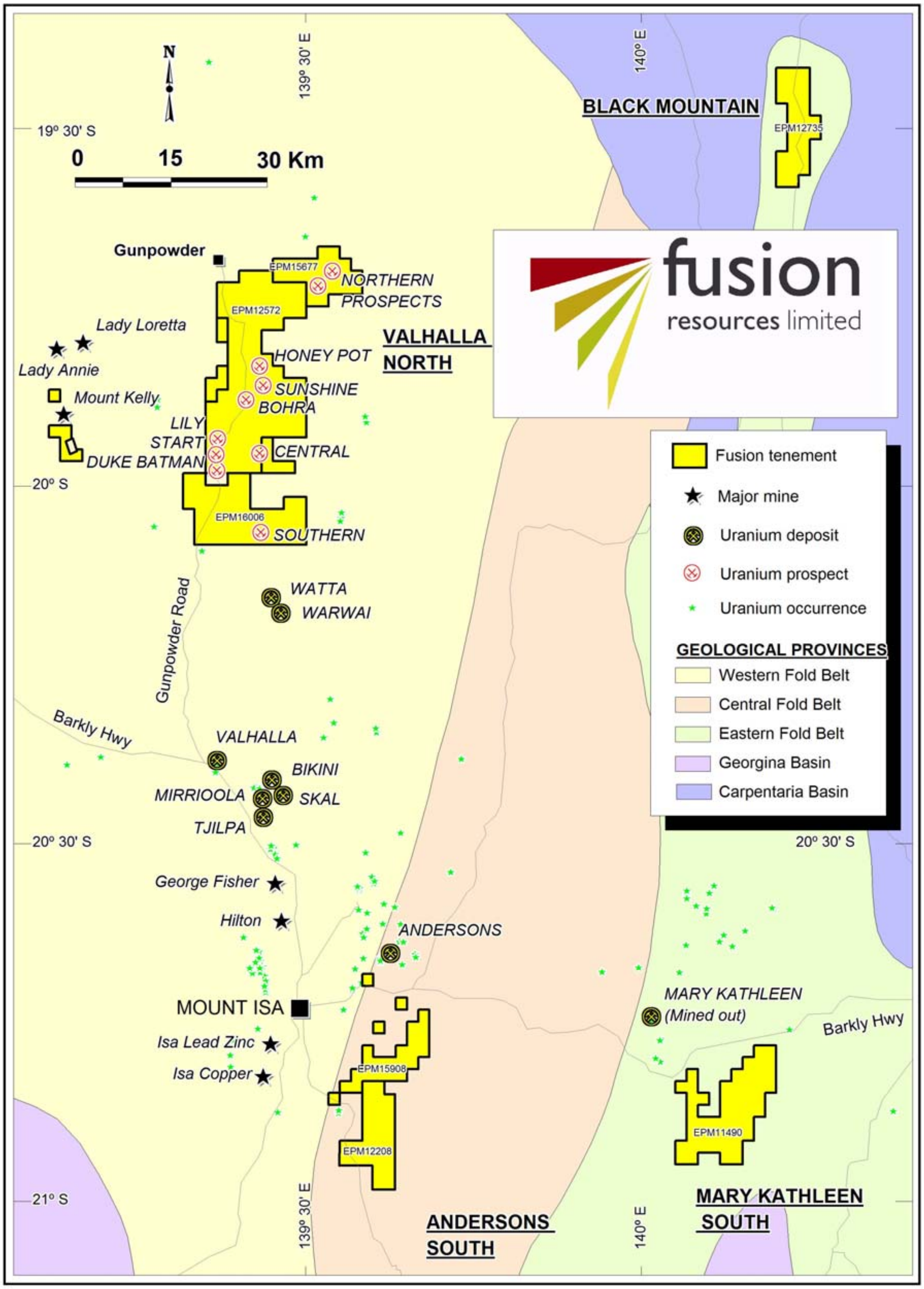


Figure 1:
Fusion's Mount Isa Block Uranium Projects – Regional Geological Setting
(drafting by CRM 2008)

DIVIDEND RECORD AND POLICY

Fusion has not, since the date of its incorporation, declared or paid any dividends on its Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, Fusion anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the earnings, if any, and the financial condition of the Company and such other factors as the directors of Fusion consider appropriate.

DESCRIPTION OF SHARE CAPITAL

Outstanding Share Data

Under the *Corporations Act* and the constitution of the Company (the "**Constitution**"), the Company is authorized to issue an unlimited number of ordinary shares and preference shares. Under the ASX listing rules, in order for a corporation listed on the ASX to issue greater than 15% of the total number of shares issued and outstanding in the previous 12 month period, the corporation must seek shareholder approval.

As of the date of this Annual Information Form, the Company has 48,812,878 Shares issued and outstanding, 1,500 unlisted Convertible Cumulative B Preference shares ("**B Preference Shares**") issued and outstanding, which are convertible into 1,500,000 Shares, and an aggregate of 9,020,000 unlisted options outstanding, which are convertible into an equivalent number of Shares. The following is a summary of the rights attaching to Shares. For a full statement of the rights attaching to Shares, reference should be had to the Constitution, which is available under the Company's profile on SEDAR at www.sedar.com.

Rights Attached to Ordinary Shares

The holders of Shares are entitled to:

a) vote at all meetings of shareholders of Fusion, except meetings at which only holders of a specified class of shares are entitled to vote;

b) receive, subject to the rights, privileges, restriction and conditions attaching to any other class of shares of Fusion, any dividends declared by Fusion; and

c) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Fusion, the remaining property of Fusion upon the liquidation, dissolution or winding-up of Fusion, whether voluntary or involuntary.

Rights Attached to Preference Shares

The Company may issue any Shares as preference shares, including (i) preference shares which are liable to be redeemed in a manner permitted by the *Corporations Act*; and (ii) preference shares that that are liable to be converted or convertible (a) at the option of the holder, or of the Company, or both; (b) upon the happening of a particular event; or (c) at a fixed time.

Preference shares are allotted by resolution of the directors, which resolution may specify (A) dividend rights; (B) whether the preference shares are or are not redeemable; (C) if they are redeemable, the redemption amount, redemption date, redemption circumstances and any specified date prior to which the redeemable preference share may not be redeemed by the holder; (D) whether the preference shares are or are not converting preference shares; (E) if they are converting preference shares, the conversion circumstances, the conversion number and any conversion date; and (F) any other terms and conditions that apply to the preference shares.

Rights Attached to B Preference Shares

General: Holders of B Preference Shares have the same rights as holders of Shares in relation to receiving notices, reports and audited accounts, and attending meetings of registered shareholders.

Dividends: Holders of B Preference Shares are entitled to receive dividends at a rate of 5% of the issue price of $0.00031 on June 30 each year from the date of issue to the conversion date. Dividends on the B Preference Shares rank in priority to dividends on the Shares.

Conversion: Each B Preference Share will convert into 1,000 Shares upon the Company announcing 120 million tones of Indicated Mineral Resources of iron ore from the Buckland Hills Project (determined in accordance with JORC) on or before August 31, 2010, failing which, each B Preference Share will convert into one Share.

Voting: The B Preference Shares carry no voting rights, save in the circumstances required by ASX Listing Rule 6.3, which provide that a holder of B Preference Shares has the right to vote (a) during a period during which a dividend (or part of a dividend) in respect of the share is in arrears; (b) on a proposal to reduce the share capital of the Company; (c) on a resolution to approve the terms of a buy-back agreement; (d) on a proposal that affects rights attached to the B Preference Shares; (e) on a proposal to wind up the Company; (f) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; and (g) during the winding up of the Company.

Transfer: The B Preference Shares are not transferable.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares of Fusion are currently listed on the TSX under the trading symbol “FNS” and commenced trading on May 29, 2008. The following table sets forth the reported high and low sale prices and the trading volume for the Company’s Shares on the TSX for each of the months and other periods indicated.

	High (C$)	Low (C$)	Volume
May, 2008	0.00	0.00	0
June, 2008	0.00	0.90	3,500
July, 2008	0.00	0.00	0
August, 2008	0.00	0.00	0
September, 2008	0.00	0.00	0

The Shares of Fusion are also listed on the ASX under the trading symbol “FSN”. The Shares of Fusion commenced trading on the ASX on May 3, 2005. The following table sets forth the reported high and low sale prices and the trading volume for the Company’s Shares on the ASX for each of the months and other periods indicated.

	High (A$)	Low (A$)	Volume
May, 2007	1.79	1.05	10,530,151
June, 2007	1.50	1.11	3,426,124
July, 2007	1.44	1.19	1,955,101

	High (A$)	Low (A$)	Volume
August, 2007	1.30	0.70	1,925,142
September, 2007	0.95	0.72	1,243,817
October, 2007	1.17	0.79	1,403,951
November, 2007	1.32	0.90	1,576,662
December, 2007	1.09	0.82	1,117,565
January, 2008	1.15	0.71	666,266
February, 2008	0.90	0.77	371,263
March, 2008	0.80	0.60	340,841
April, 2008	0.69	0.53	1,576,976
May, 2008	0.67	0.55	473,653
June, 2008	0.82	0.53	1,236,867
July, 2008	0.69	0.55	2,673,448
August, 2008	0.55	0.36	876,480
September, 2008	0.44	0.35	4,651,229

DIRECTORS AND OFFICERS

Description of Directors and Officers

The name, municipality of residence and position with Fusion of each director and executive officer of Fusion, the date of appointment of each director and the principal occupation in which each director or officer has been engaged during the immediately preceding five years are set out below.

Name and Municipality of Residence	Position with the Company	Principal Occupation During Past Five Years	Director Since	Common Shares beneficially owned directly or indirectly
Directors				
IAN PETER MIDDLEMAS[(1)] Perth, Western Australia, Australia	Non-Executive Chairman	Director of the following public energy and mineral exploration and development companies: Salinas Energy Limited (November 1995 – present), OmegaCorp Limited (October 2000 – August 2007), Global Petroleum Limited (April 2007 – present), GulfX Limited (May 2007 – February 2008), Indo Mines Limited (December 2006 – present), Mantra Resources Limited (September 2005 – present), Mavuzi Resources Limited (January 2007 – March 2008), Odyssey Energy Limited (September 2005 – present), QED Occtech Limited (July 2001 – present), Sierra Mining Limited (January 2006 – present),	May 14, 2002	3,176,923 (6.51%)

Name and Municipality of Residence	Position with the Company	Principal Occupation During Past Five Years	Director Since	Common Shares beneficially owned directly or indirectly
		Sovereign Metals Limited (July 2006 – present), Xenolith Resources Limited (March 2007 – present), Leyshon Resources Limited (November 2001 – April 2006), Marion Energy Limited (August 2004 – December 2004), Agincourt Resources Ltd (August 2001 – December 2004) and Berkeley Resources Ltd (July 2003 – November 2006).		
DAVID WALLACE BERRIE Perth, Western Australia, Australia	Managing Director	Managing Director, Fusion (May 2007 – present), Corporate Director, Summit Resources Limited (September 2006 – present), a public uranium exploration and development company, Acting Legal Manager, BHP Billiton Limited (June 2005 – September 2006), a large public diversified mining company, and Legal Manager, WMC Resources Limited (July 2002 – June 2005), a large public diversified mining company.	May 14, 2007	32,800 (0.07%)
MATTHEW GILES YATES(1) Perth, Western Australia, Australia	Non-Executive Director	Joint Managing Director, Mantra Resources Limited (March 2008 – present), a public uranium exploration and development company, Managing Director, Mavuzi Resources Limited (January 2007 – March 2008), a public mineral exploration company, Managing Director, OmegaCorp Limited (January 2006 – August 2007), a public uranium exploration and development company, Technical Director (part-time), Fusion (May 2005 – June 2005), Technical Director, OmegaCorp Limited (February 2004 – January 2006), and Exploration Manager, Tanganyika Gold Limited (January 1998 – August 2001), a gold exploration company.	May 9, 2007	350,000 (0.72%)
MATTHEW JAMES RIMES Perth, Western Australia, Australia	Non-Executive Director	Managing Director, Iron Ore Holdings Limited (April 2007 – present), an iron ore exploration and development company, Managing Director, Fusion (June 2005 – April 2007), Executive Manager, Resource Development, Robe River Mining Company Pty Ltd (July 2003 – June 2005), a large iron ore mining company, Operations Manager, West Angelas Mine, Robe River Mining Company Pty Ltd (January 2003 – August 2003).	June 13, 2005	3,800,000 (7.78%)
MARK LAURENCE PEARCE(1) Perth, Western Australia, Australia	Non-Executive Director	Director and/or Company Secretary of the following public energy and mineral exploration and development companies: Indo Mines Limited (December 2006 – present), Xenolith Resources Limited (March 2007 – present), Mantra Resources Limited (September 2005 – present), Odyssey Energy Limited (September 2005 – present), Sovereign Metals Limited (July 2006 –	May 14, 2002	265,385 (0.54%)

Name and Municipality of Residence	Position with the Company	Principal Occupation During Past Five Years	Director Since	Common Shares beneficially owned directly or indirectly
		present), Mavuzi Resources Limited (January 2007 – March 2008), OmegaCorp Limited (October 2000 – August 2007), Leyshon Resources Limited (November 2001 – April 2006), Salinas Energy Limited (February 2002 – July 2006), GulfX Limited (May 2007 – February 2008), Sierra Mining Limited (January 2006 – August 2006), Berkeley Resources Limited (July 2003 – April 2006), Marion Energy Limited (August 2004 – December 2004) and Agincourt Resources Limited (August 2001 – October 2003).		
Executive Officers				
GREGORY DAVID SWAN Perth, Western Australia, Australia	Chief Financial Officer and Company Secretary	Chief Financial Officer and Company Secretary, Fusion (April 2007 – present), Company Secretary, Mantra Resources Limited (April 2007 – March 2008), a public uranium exploration and development company, Corporate Accountant, Apollo Group Pty Ltd (June 2006 – present), a corporate and administrative services provider, Senior Accountant, Ernst & Young (May 2002 – June 2006), a large international accounting firm, and Accountant, Anderson (February 2002 – May 2002), a large international accounting firm.	N/A	Nil
ROBERT SCOTT WAUGH Perth, Western Australia, Australia	Exploration Manager	Exploration Manager, Fusion (November 2007 – present), Project Leader, Minerals Exploration, BHP Billiton Limited (July 2005 – September 2007), a large public diversified mining company, Exploration Manager, Exploration Division, WMC Resources Limited (October 2004 – June 2005), a large public diversified mining company, and Project Leader, Exploration Division, WMC Resources Limited (November 2001 – September 2004).	N/A	Nil

Note
(1) Member of the audit committee.

Other than the Managing Director, each director's term of office expires at the later of the third annual general meeting of shareholders of Fusion or three years after that director's last election or appointment. One-third of the directors must retire at each annual general meeting. Retiring directors are eligible for re-election. The Managing Director's contract of employment with Fusion has a rolling annual term and may be terminated by Fusion by giving 2 months notice.

As of the date of this Annual Information Form, approximately 7,625,108 Shares of the Company were beneficially owned, directly or indirectly, by the directors and officers of the Company as a group, representing approximately 15.62% of the issued Shares of the Company on a non-diluted basis.

Conflicts of Interest

The directors and officers of Fusion are, or may become, directors or officers of other companies with businesses which may conflict with the business of Fusion. Directors are required to act honestly and in good faith with a view to the best interests of Fusion. In addition, directors in a conflict of interest position are required to disclose certain conflicts to Fusion and to abstain from voting in connection with the matter. To the best of Fusion's knowledge, there are no known existing or potential conflicts of interest between Fusion and a director or officer of Fusion as a result of their outside business interests at the date hereof. However, certain of the directors and officers serve as directors and/or officers of other companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of Fusion.

Corporate Cease Trade Orders

No director or executive officer is, or within the ten years prior to the date hereof has been, a director, officer, of any other company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the other company access to any exemptions under securities law for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director or executive officer has, during the ten years prior to the date hereof:

(a) been subject to any penalties or sanctions imposed by a Canadian, Australian or other International court or Canadian, Australian or other International securities regulatory authority relating to Canadian, Australian or other International applicable securities legislation or entered into a settlement agreement with a Canadian, Australian or other International securities authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Bankruptcies

No director or officer nor any personal holding company of any such person, has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Mark Pearce, a director of the Company, was a non-executive director of Monitor Energy Limited (then called Mustang Group Limited) ("**MEL**"), an ASX-listed company. MEL acquired a health and personal well-being company called The Metabolism Centre Pty Ltd. Pursuant to the terms of the acquisition agreement, Mr. Pearce resigned as a director of MEL and new management and directors were appointed in September 2003. In January 2004, MEL was suspended from official quotation on the ASX and placed into voluntary administration. In April 2004, MEL entered into a Deed of Company Arrangement with its creditors. In July 2004 MEL was released from external administration and in September 2004 MEL was re-instated to official quotation on the ASX.

Mr. Pearce also was a non-executive director of Leisure and Gaming Corporation Ltd. ("**LGC**"). LGC established an online gaming business in January 2000 with a view to undertaking an initial public offering and listing on the ASX. Following LGC's establishment, substantial legislative restrictions were imposed on the industry. The ASX listing application was withdrawn in 2001 and LGC was eventually liquidated in 2003.

Ian Middlemas, a director of the Company, was a non-executive director of View Resources Limited (then called Smartworld Corporation) ("**VRL**"), an ASX-listed company, from February 2000 to August 2001. In September 2001, VRL was suspended from official quotation on the ASX and was placed into voluntary administration. In January 2002, VRL entered into a Deed of Company Arrangement with its creditors and, following the restructuring of its business from a technology focus to exploration, VRL was re-admitted to official quotation on the ASX in April 2002. Receivers and managers were subsequently appointed in February 2008.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors and Board Mandate

The independent directors of Fusion are the Chairman, Ian Middlemas, Matthew Yates and Mark Pearce. The directors of Fusion who are not independent are David Berrie, Fusion's Managing Director, and Matthew Rimes, who was Managing Director of Fusion from June 2005 to April 2007.

As Chairman of the board of directors, Mr. Middlemas' responsibilities include:

- chairing the meetings of the board of directors in an impartial manner, ensuring that meetings are properly constituted, a quorum is present, minutes of previous meetings are considered as required, all directors have a fair opportunity to participate, and the meeting is declared closed;
- developing a regular schedule of board of directors meetings, setting the agenda for the meetings in consultation with the Managing Director, and ensuring that there is adequate time and balance allowed between strategic, operational and compliance issues;
- ensuring that issues relating to conflicts of interest between the Company and its directors and employees are properly dealt with in accordance with the Constitution and applicable law;
- understanding of board of directors and general meeting rules and procedures;
- chairing the Annual General Meeting (AGM), and any other General Meetings, and ensuring that shareholders have adequate opportunity to ask questions and provide their comments in relation to the management of the Company;
- ensuring that the external audit partner is present at the AGM and available to answer any questions raised by shareholders;
- providing leadership and ensuring the effective performance of the board of directors;
- maintaining ongoing relations with management that are conducive to productive co-operation, and ensuring the provision by management to directors of accurate, timely and clear information;
- arranging regular evaluations of the performance of the board of directors and its Committees and of individual directors;
- ensuring directors continually update their skills and experience and knowledge of the Company necessary to fulfil their role on the board of directors and Committees; and
- establishing a protocol to be applied if the Chairman is absent from meetings of the board of directors.

During the most recently completed financial year, the independent directors did not hold regularly scheduled meetings at which non-independent directors and members of management were not in attendance, however, the independent directors did meet regularly on an informal basis. The Board of Directors adopted a Board Charter on April 16, 2008 which, among other things, requires that independent non-executive directors shall collectively meet, without non-independent directors and members of management present, as frequently as required, but not less than 2 times per year. The Board Charter is attached hereto as Schedule A. The responsibilities of the chairman of the Audit Committee are set out in the Audit Committee Charter attached hereto as Schedule B. The role of the Managing Director is provided for in the Company's Corporate Governance policy, which can be found at http://www.fusionresources.com.au/default.aspx?id=131.

The following table sets out the number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended June 30, 2008, and the number of meetings attended by each Director:

	Board Meetings		Audit Committee Meetings [1]	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ian Middlemas	5	4	1	1
David Berrie	5	4	-	-
Matthew Yates	5	4	1	1
Matthew Rimes	5	2	-	-
Mark Pearce	5	5	1	1

Notes:
(1) The Audit Committee was formed on April 16, 2008.

Orientation and Continuing Education

All prospective directors are acquainted with the role of the board of directors and its committees and the contribution that directors are expected to make, including the time commitment that Fusion expects of its directors. All prospective directors are informed that they must prepare in advance of each meeting in order to fulfill their responsibilities as directors. Directors' expectations are set out in writing. The Company encourages all of its directors to undertake ongoing education to maintain appropriate skill levels. In order to promote ongoing familiarity with the Company, all directors are encouraged to attend mine site visits.

Ethical Business Conduct

Fusion has adopted a Code of Ethics and Conduct that applies to all its directors and employees. The Code of Ethics and Conduct forms part of the Company's Corporate Governance policy and is available under the Company's name on SEDAR at www.sedar.com. In order to enforce the Company's Code of Ethics and Conduct, the Company encourages reporting by employees who suspect that a breach has occurred. The Company ensures that no prejudice or disadvantage will result for the employee who reports any breach in good faith by keeping all such reports confident. To ensure that all directors exercise independent judgement, the Company imposes restrictions on any employee from trading in the Company's securities when they have access to 'insider information'. Moreover, the Company's Corporate Governance policy provides, among other things, that all directors must act in the best interest of Fusion's shareholders and avoid real or perceived conflicts.

Nomination of Directors

While Fusion does not have a nominating committee, the criteria for determining the identification and appointment of a suitable candidate for the board of directors includes an assessment of the quality of the individual, a background of experience and achievements, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board duties and physical ability to undertake board duties and responsibilities. Directors are initially appointed by the board of directors subject to election by the shareholders at the next annual general meeting. Subject to the requirements of the *Corporations Act*, the board of directors does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the board of directors may revoke any appointment.

Compensation

Fusion has not formed a compensation committee. However, the Company has a broad compensation policy in its Corporate Governance policy. This compensation policy ensures that remuneration reflects the relevant duties and responsibilities performed by each director or officer and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Company's board of directors believes that the best way to achieve this objective is to provide executive directors and executives with a remuneration package consisting of fixed components that reflect the person's responsibilities, duties and personal performance. The board of directors determines the remuneration of all non-executive directors and officers having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry. The aggregate amount payable to the Company's non-executive directors must not exceed the maximum annual amount approved by the Company's shareholders.

Assessment

The board of directors has adopted a self-evaluation process to measure its own performance and the performance of its committees during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the directors of the Company. Arrangements put in place by the board of directors to monitor the performance of the Company's executives include a review by the board of directors of the Company's financial performance and annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings or regulatory actions involving Fusion or its properties as at the date of this Annual Information Form and Fusion knows of no such proceedings currently contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this Annual Information Form, no director, executive officer or shareholder holding on record or beneficially, directly or indirectly, more than 10% of the issued Shares, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction in which Fusion has participated in the three most recently completed financial years or during the current financial year, or in any proposed transaction, which has materially affected or will materially affect Fusion.

Apollo Group Pty Ltd, a company associated with Mr. Mark Pearce, a non-executive director of Fusion, was paid A$180,000 for the provision of serviced office facilities and administrative, company secretarial and accounting services during the 2008 financial year. The amount is based on a monthly retainer of A$15,000 (A$16,500 from July 1, 2008) due and payable in advance, with no fixed term.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Fusion's Shares in Canada is Computershare Investor Services Inc. at its principal offices at 510 Burrard Street, Vancouver, British Columbia, Canada. The registrar and transfer agent for Fusion's Shares in Australia is Computershare Investor Services Pty Ltd at its principal offices in Level 2, 45 St Georges Terrace, Perth, Western Australia, Australia.

AUDIT COMMITTEE

The purpose of the Audit Committee is to assist the board of directors of the Company to fulfill its corporate governance and oversight responsibilities and set out the role of the Audit Committee's Chairman. In doing so, it is the responsibility of the Audit Committee to maintain free and open communication among the Audit Committee, the external auditors, and the management of the Company. The Audit Committee's charter is attached hereto as Appendix "A". The Audit Committee was formed on April 16, 2008.

Composition of the Audit Committee

The Audit Committee is currently comprised of Ian Middlemas, Matthew Yates and Mark Pearce. Each of the members is financially literate within the meaning of Section 1.5 of National Instrument 52-110 Audit Committees ("**NI 52-110**"). Mr. Middlemas and Mr. Yates are non-executive directors who are independent within the meaning of Section 1.4 of NI 52-110.

Relevant Education and Experience

Mr. Ian Peter Middlemas *B.Com, CA* **–** *Non-Executive Chairman*

Mr. Middlemas is a Chartered Accountant, a member of the Securities Institute of Australia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr. Matthew Giles Yates *B.Sc (Hons), MAIG – Non-Executive Director*

Mr. Yates has an applied technical background, however, Mr. Yates has held senior executive positions for over 15 years, during which time he has been extensively involved in the preparation and review of financial reports and security issue disclosure documents. Mr. Yates is currently the Joint Managing Director of Mantra Resources Limited, an ASX listed company with a focus on uranium exploration in southern Africa, and was formerly the Managing Director of OmegaCorp Limited, prior to its takeover by Denison Mines Corp. in 2007.

Mr. Mark Laurence Pearce *B.Bus, CA, FCIS, FFin – Non-Executive Director*

Mr. Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed small cap resource companies and has worked for several large international Chartered Accounting firms. Mr. Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia.

External Audit Services

The following table outlines the fees billed by Deloitte Touche Tohmatsu to the Company for the fiscal years ending 30 June 2008 and 30 June 2007 categorized by audit fees, tax compliance fees and all other fees.

	2008 A$	2007 A$
Audit Fees	51,450	46,164
Audit-Related Fees	37,450	-
Tax Fees	-	-
All Other Fees	-	-
Total	89,077	46,164

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Company has entered into within the two year period preceding the date of this Annual Information Form are as follows:

(i) Exploration and Mining Lease Agreement with Leyshon dated February 28, 2005. See "*General Description of the Business*".

(ii) Sale Agreement with Iron Ore Holdings Limited of PEL. See "*General Description of the Business*".

EXPERTS

Information of a scientific or technical nature regarding the Valhalla North Project included in this Annual Information Form is based primarily upon the Technical Report. The Technical Report was prepared by J.J.G.

Doepel, BSc (Hons), GradDipForSci, DipTeach, MAusIMM, MGSA, Principal Geologist, Continental Resource Management Pty Ltd, who is a "Qualified Person" as such term is defined in National Instrument 43-101. Mr. Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr. Doepel has no direct or indirect interest in Fusion's property or of any associate or affiliate of Fusion. As at the date hereof, none of Mr. Doepel, Continental Resource Management Pty Ltd, or any associate or affiliate of Mr. Doepel beneficially owns, directly or indirectly, or has received or is entitled to receive, any outstanding securities of Fusion.

In addition, the information in this Annual Information Form that relates to exploration results that are not incorporated into the Technical Report is based on information compiled by Mr. Robert Waugh. Mr. Waugh is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Waugh is a full-time employee of Fusion. Mr. Waugh has completed a field validation of the Project and has sufficient industry experience to qualify as a "Competent Person" as defined in the JORC Code and a "Qualified Person" as such term is defined in National Instrument 43-101. Mr. Waugh consents to the inclusion in the report of such exploration results in the form and context in which it appears. As at the date hereof, Mr. Waugh and any associate and/or affiliate of Mr. Waugh beneficially own, directly or indirectly, or have received or are entitled to receive, a total of 750,000 of the outstanding securities of Fusion.

ADDITIONAL INFORMATION

Additional information regarding the Company may be obtained on the System for Electronic Document Analysis and Retrieval (SEDAR), under the Company's name, at www.sedar.com.

Additional financial information is provided in the Company's financial statements and MD&A for its most recently completed financial year.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date of this Annual Information Form, the Company has 48,812,878 Shares issued and outstanding which are entitled to be voted at meetings of shareholders of Fusion.

As of the date of this Annual Information Form, to the knowledge of the directors and senior officers of Fusion, no person beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attaching to all issued and outstanding shares of the Company, except as follows:

Name and Address	Designation of Class	Number (1)	Percentage
CIM Special Situations Fund Limited	Ordinary Shares	4,909,637(2)	10.06%

Notes:

(1) To the knowledge of Fusion, these securities are owned both of record and beneficially.

(2) CIM Special Situations Fund Limited (the "**Fund**") is a fund managed by CIM Investment Management Limited ("**CIM Investment Management**"), which is an asset management company incorporated under the laws of England and authorized and regulated by the Financial Services Authority (FSA Firm Reference Number 443440). CIM Investment Management exercises control or direction over the Shares in the Company held by the Fund on behalf of the Fund. CIM Investment Management disclaims any beneficial ownership of the Shares.

REPORT ON EXECUTIVE COMPENSATION

Summary Compensation Table

The following tables and the notes thereto summarize the compensation of the Managing Director, the former Managing Director, the Exploration Manager and the Chief Financial Officer of Fusion for the financial years ended June 30, 2008, 2007 and 2006 (the "**Named Executive Officers**" or "**NEO**") as required pursuant to Canadian securities laws. There were no other executive officers of Fusion or its subsidiaries serving as at June 30, 2008, 2007 and 2006 whose total salary and bonus exceeded C$150,000 per annum in any of those financial periods.

NEO Name and Principal Position (a)	Year (b)	Annual Compensation: Salary (A$) (c)	Annual Compensation: Bonus (A$) (d)	Annual Compensation: Other Annual Compensation (A$) (e)	Long-Term Compensation, Awards: Securities under Options Granted (#) (f)	Long-Term Compensation, Awards: Shares or Units Subject to Resale Restrictions (#) (g)	Long-Term Compensation, Payouts: LTIP Payouts (A$) (h)	All Other Compen-sation (A$) (i)
DAVID WALLACE BERRIE (1) Managing Director	2008	225,000	75,000	20,250	4,000,000	-	-	-
	2007	34,239	-	3,082	-	-	-	-
	2006	-	-	-	-	-	-	-
MATTHEW JAMES RIMES (2) Former Managing Director	2008	15,000	-	-	-	-	-	-
	2007	138,196	-	10,976	1,500,000(3)	-	-	-
	2006	164,588	100,000	14,812	5,000,000	-	-	-
GREGORY DAVID SWAN (4) Chief Financial Officer and Company Secretary	2008	-	-	-	250,000	-	-	-
	2007	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-

Notes:

(1) Mr. Berrie was appointed as Managing Director on May 14, 2007.

(2) Mr. Rimes resigned as Managing Director on April 12, 2007. Mr. Rimes continues as a Non-Executive Director of Fusion.

(3) These options were granted to Mr. Rimes by Sovereign Metals Limited during the year ended June 30, 2007, which at the time of grant was a subsidiary of Fusion. Sovereign Metals Limited ceased to be a subsidiary of Fusion on January 11, 2007.

(4) Mr. Swan was appointed as Company Secretary and Chief Financial Officer on April 30, 2007. Prior to April 30, 2007, there was no Chief Financial Officer of Fusion and the duties of Chief Financial Officer were carried out by Mr. Pearce.

Options Granted During the Most Recently Completed Financial Year

The following sets out information concerning options granted during Fusion's most recently completed financial year to Named Executive Officers.

Named Executive Officer (a)	Securities Under Options Granted (#) (b)	% of Total Options Granted in Financial Year (c)	Exercise or Base Price (A$ per Share) (d)	Market Value of Shares Underlying Options on the Date of Grant (A$ per Share) (e)	Expiration Date (f)
DAVID WALLACE BERRIE Managing Director	500,000	6.6%	A$0.80	A$0.50	June 30, 2009
	1,500,000	19.9%	A$1.10	A$0.49	December 31, 2009
	2,000,000	26.6%	A$1.50	A$0.53	December 31, 2010

Named Executive Officer (a)	Securities Under Options Granted (#) (b)	% of Total Options Granted in Financial Year (c)	Exercise or Base Price (A$ per Share) (d)	Market Value of Shares Underlying Options on the Date of Grant (A$ per Share) (e)	Expiration Date (f)
GREGORY DAVID SWAN Chief Financial Officer and Company Secretary	125,000 125,000	1.7% 1.7%	A$0.80 A$1.10	A$0.50 A$0.49	June 30, 2009 December 31, 2009

Aggregated Options Exercised During the Most Recently Completed Financial Year and Financial Year-End Option Values

The following table summarizes the number and value of options exercised by each of the Named Executive Officers during Fusion's most recently completed financial year and the number and current value of unexercised options for each of the Named Executive Officers on June 30, 2008.

Named Executive Officer (a)	Securities Acquired on Exercise (#) (b)	Aggregate Value Realized (A$) (c)	Unexercised Options at June 30, 2008 (#) Exercisable / Unexercisable (d)	Value of Unexercised in the Money Options at June 30, 2008 (A$) Exercisable / Unexercisable (e)
MATTHEW JAMES RIMES (1) Former Managing Director	1,500,000	975,000	1,500,000 / -	150,000 / -

Notes:

(1) Mr. Rimes resigned as Managing Director on April 12, 2007. Mr. Rimes continues as a Non-Executive Director of Fusion.

Employment Contracts

Fusion has entered into a contract of employment with Mr. Berrie dated April 24, 2007 pursuant to which Mr. Berrie is employed as Managing Director of Fusion. Mr. Berrie is paid an annual salary of A$225,000 per annum (plus superannuation contributions, currently at 9%) to be reviewed annually. Mr. Berrie is entitled to be reimbursed for certain expenses incurred at the request of Fusion and, at the discretion of the board of directors, to a performance-based bonus of A$150,000 per annum. Additionally, Mr. Berrie was granted the following options on August 20, 2007:

- 500,000 options exercisable at A$0.80 each on or before 30 June 2009;
- 1,500,000 options exercisable at A$1.10 each on or before December 31, 2009 (vesting after 12 months service); and
- 2,000,000 options exercisable at A$1.50 each on or before December 31, 2010 (vesting after 18 months service).

Under the terms of his employment agreement, Mr. Berrie is employed on a rolling annual term and may be terminated by Fusion at any time by giving two months' notice in writing. Fusion may also terminate Mr. Berrie's employment immediately upon the occurrence of certain events, including if Mr. Berrie is absent in or neglectful of or demonstrates incompetence with regard to the performance of his duties or is convicted of any major criminal offence. Mr. Berrie may terminate his employment upon providing two months' notice to Fusion.

Mr. Swan provides services as the Company's Chief Financial Officer and Company Secretary through a services agreement with Apollo Group Pty Ltd dated September 8, 2006 (the "**Apollo Services Agreement**"). Under the Apollo Services Agreement, Apollo Group Pty Ltd provides administrative, company secretarial and accounting services and the provision of a fully serviced office to Fusion, for a monthly retainer of A$15,000 (A$16,500 from July 1, 2008). Apollo Group Pty Ltd is a company controlled by Mr. Pearce, a non-executive director of Fusion.

Other than the agreements described above, and the payment of directors' fees, there are no employment contracts or other arrangements in existence between Fusion or its subsidiaries and any director or officer of Fusion and there is no arrangement or agreement made between Fusion and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of Fusion or a change in the Named Executive Officer's responsibilities following such a change of control.

Report on Executive Compensation

The compensation of the Named Executive Officers is set out in the "*Summary Compensation Table*" and "*Employment Contracts*" section above. With respect to payments made to non-executive directors, each receives a fixed fee of between A$15,000 and A$36,000 per annum. In addition, Mr. Yates receives fees for his services provided as non-executive director of the Company at a rate of A$1,500 per day. The Constitution provides that non-executive directors may collectively be paid an amount not exceeding the aggregate maximum of A$100,000 per annum which has been determined by the Company's shareholders. Should the non-executive directors provide services over and above those expected of such a position, the Company will provide reasonable remuneration for those services. During the financial year ended June 30, 2008 no such services were provided.

The executive compensation policy adopted by the board of directors is to provide a fixed remuneration component and a performance based component to Fusion's executives. The board of directors believes that this compensation policy is appropriate given the stage of development of the company and the activities which it undertakes, and is appropriate in aligning executive objectives with shareholder and business objectives.

The compensation policy in regard to setting the terms and conditions for executives has been developed by the board of directors taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The policy is to remunerate executives at market rates for comparable companies for time, commitment and responsibilities. The board of directors determines payments to executives and reviews their compensation annually, based on market practice, duties and accountability. Independent external advice is sought when required.

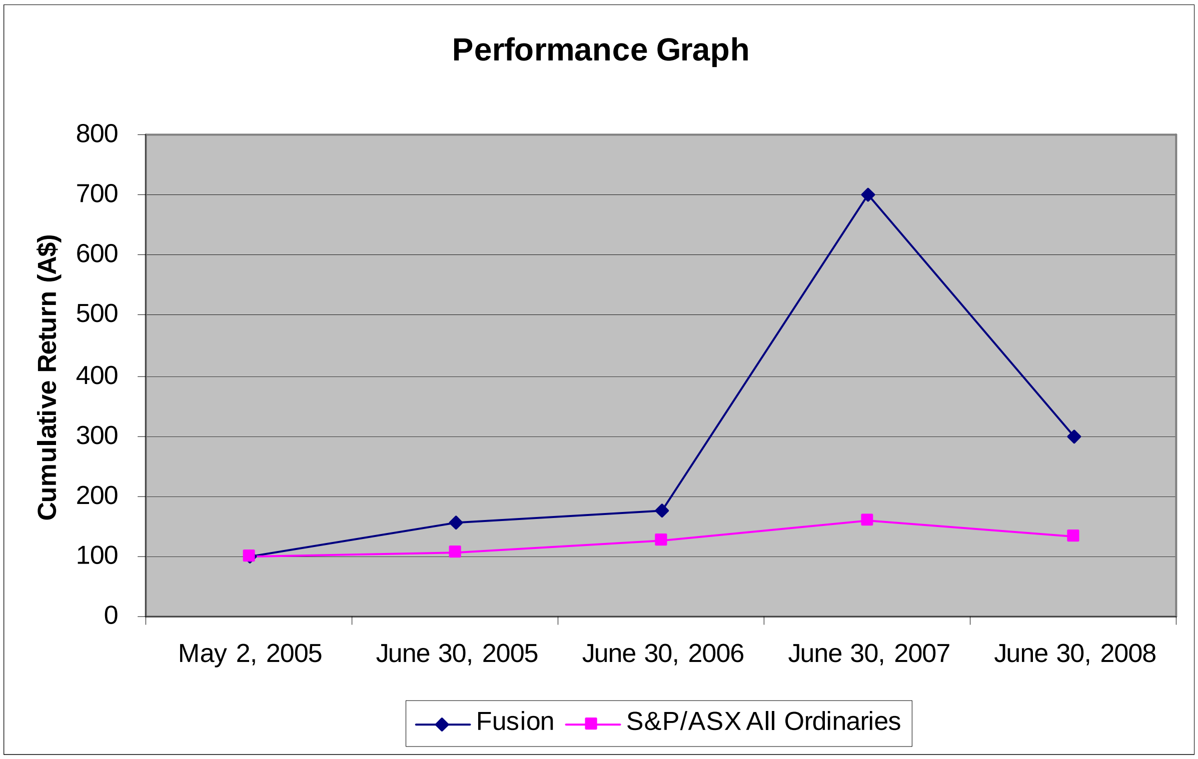
The Company is a growing listed company with most of its funds allocated to specific exploration and development activities. As a result, the board of directors chooses to issue incentive options to executives as a key component of the incentive portion of their remuneration, in order to retain the services of executives and to provide an incentive linked to the performance of the Company. Given the speculative nature of the Company's activities and the small executive team responsible for its running, it is considered the performance of Fusion's executives and the performance and value of the Company are closely related. As such, options granted to executives will generally only be of benefit if Fusion's executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the options granted.

Executives receive superannuation contributions, currently at 9%, and do not receive any other retirement benefit. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Performance Graph

The following performance graph shows the cumulative shareholder return of Fusion for the last four most recently completed financial years compared to the S&P/ASX All Ordinaries Index.

The table below the graph shows what a A$100 investment in Fusion Shares and the S&P/ASX All Ordinaries Index, respectively, made on May 2, 2005 (being the day before Fusion commenced trading on the ASX) would be worth at June 30, 2005, 2006, 2007 and 2008, following the initial investment.



	MAY 2, 2005	JUNE 30, 2005	JUNE 30, 2006	JUNE 30, 2007	JUNE 30, 2008
Fusion	A$100	A$155	A$175	A$700	A$300
S&P/ASX All Ordinaries Index	A$100	A$107	A$127	A$159	A$134

EQUITY COMPENSATION PLANS

The following table summarizes relevant information as of June 30, 2008 with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,550,000	A$1.03	-
Equity compensation plans not approved by securityholders	1,470,000	A$1.45	-
Total	9,020,000	A$1.10	-

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness owing to Fusion from any of its executive officers or directors or former directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Fusion or a subsidiary of Fusion.

AUDITOR

Fusion’s auditor is Deloitte Touche Tohmatsu.

SCHEDULE A

BOARD CHARTER

Adopted: April 16, 2008

Role of the Board

The primary function of the Board of Directors (the "Board") of Fusion Resources Limited (the "Company") is to manage, or supervise the management of, the business and affairs of the Company. In doing so, the Board shall act with a view to the best interests of the Company.

The Board has responsibility for, and has the authority to determine, all matters relating to policies, practices, management and operations of the Company. It is required to do all things necessary to determine the objectives and the strategy, and to ensure that the strategy is carried out in order to achieve the objectives of the Company.

The principle objective of the Company is to acquire, explore, develop and operate (or otherwise exploit) profitable resource projects to create and deliver sustainable value for shareholders.

The Board has the final responsibility for the successful implementation of the strategies, and the ongoing operations and performance, of the Company. Without limiting the generality of that stated role, the matters reserved specifically for the Board include:

a. determining the vision and objectives of the Company;

b. formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;

c. identifying occupational health, safety and environmental issues and formulating and implementing policies to address and manage them, and to monitor the compliance and effectiveness of these policies;

d. identifying other material business risks pertaining to the Company's operations, and to develop and implement strategies to manage these risks, and internal control systems to monitor compliance with and the effectiveness of these strategies;

e. appointing and approving the terms and conditions of the appointment of the Managing Director and Chief Financial Officer, and other officers;

f. determining the remuneration of the Company's Managing Director, Chief Financial Officer and other officers of the Company, including share and benefit plans;

g. establishing and determining the powers and functions of the committees of the Board ("Committees"), including the Audit Committee;

h. reviewing and providing feedback on the performance of the Managing Director and Chief Financial Officer and other officers and senior management of the Company;

i. reviewing the performance of the Board, individual directors and Committees;

j. endorsing the terms and conditions of employment of senior executives;

k. approving and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;

l. identifying all areas where written Board policies are required, determining the policies, and overseeing the implementation and monitoring of compliance, including policies in relation to codes of conduct, related party transactions, and trading in the Company's securities;

m. approving the annual budget of the Company and variations thereto;

n. approving major operating and capital budgets of the Company, and material variations to these budgets;

o. authorising expenditure approval limits for the Managing Director and authorising expenditure in excess of these discretionary limits;

p. approving all mergers, acquisitions and disposals of projects and businesses;

q. considering the reports from Committees and the recommendations made;

r. reviewing annually the progress and performance of the Company towards meeting its objectives;

s. reviewing periodically the process, outcomes and effectiveness of the Company's decisions and strategies, and ensuring that valuable lessons are identified and absorbed into the process and framework for making future decisions;

t. authorising the issue of securities and instruments of the Company;

u. approving processes, procedures and internal control systems to ensure that the Company's financial results are reported on a timely and accurate basis;

v. approving Annual Financial Reports (and interim financial reports as may be required), Annual Reports, notices of general meetings, and profit and dividend announcements;

w. determining, implementing and monitoring procedures to ensure that the Australian Securities Exchange and the Toronto Stock Exchange are promptly and adequately informed of all matters considered to be material, in accordance with the continuous disclosure obligations;

x. overseeing the Company's approach to corporate governance issues;

y. monitoring developments in the Company's industry and general operating environment; and

z. encouraging effective communication between the Company and its shareholders, employees and the general public.

Powers of the Board of Directors

In order to ensure the efficient management of the Company, the Board recognises the need to delegate certain of its powers to executive management. These powers may be delegated to a Committee of the Board, an individual director, or to an officer or employee of the Company.

In delegating this power, the Board must be satisfied that the delegate will exercise it reliably and competently, and in accordance with the requirements of the Board. The Board must be satisfied on reasonable grounds at all times that the delegate would exercise the power in conformity with the duties imposed on directors of the Company by the *Corporations Act* and the Company's Constitution. The Board must also be satisfied, on reasonable grounds and in good faith and after making proper inquiry if the circumstances indicated the need for inquiry that the delegate was reliable and competent in relation to the power delegated.

The Board accepts responsibility for the manner in which the delegated powers are exercised, and must monitor the efficiency and effectiveness of the exercise of these powers by the delegate.

Delegation of Authority to Managing Director and Senior Management

The Board delegates responsibility for the day-to-day management of the Company and its operations to its Managing Director and senior management. This delegation of authority includes responsibility for:

a. formulating, with the Board, the vision, strategies, business plans and budgets for the Company, and, to the extent approved by the Board, implementing these plans, budgets and strategies;

b. operating the Company's businesses within the parameters and having regard to the policies set by the Board from time to time, and keeping the Board informed of material developments in relation to those businesses;

c. where proposed transactions, commitments or undertakings exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;

d. identifying material business risks, formulating strategies in conjunction with the Board or the Audit Committee to manage the risks, and monitoring effectiveness of the management process and reporting to the Board and Audit Committee;

e. developing and managing financial reporting and internal control and monitoring systems to ensure that they are efficient and effective, and provide adequate and timely financial information pertaining to the performance, condition, and prospects of the Company;

f. implementing and monitoring compliance with the policies, processes and codes of conduct approved by the Board;

g. negotiating the terms and conditions of appointment of senior executives for Board approval, appointing the senior management team, and endorsing the terms and conditions of appointment of all other staff members;

h. implementing and monitoring compliance with policies, processes and procedures for the management and development of the Company's human resources, including the corporate culture and ethics;

i. providing strong leadership to, and effective management of, the Company;

j. ensuring that all matters requiring review or approval by the Board are raised with sufficient supporting information and advance notice to allow proper consideration by the Board; and

k. reporting to the Board on a monthly basis, or other agreed time frame considered to be appropriate by the Board, the performance of all parts of the business against budget.

Chairman's Responsibilities

The Chairman's responsibilities include:

a. chairing the meetings of the Board in an impartial manner, ensuring that meetings are properly constituted, a quorum is present, minutes of previous meetings are considered as required, all directors have a fair opportunity to participate, and the meeting is declared closed;

b. developing a regular schedule of Board meetings, setting the agenda for the meetings in consultation with the Managing Director, and ensuring that there is adequate time and balance allowed between strategic, operational and compliance issues;

c. ensuring that issues relating to conflicts of interest between the Company and its directors and employees are properly dealt with in accordance with the Constitution of the Company and applicable law;

d. understanding of Board and general meeting rules and procedures;

e. chairing the Annual General Meeting (AGM), and any Extraordinary General Meetings, and ensuring that shareholders have adequate opportunity to ask questions and provide their comments in relation to the management of the Company;

f. ensuring that the external audit partner is present at the AGM and available to answer any questions raised by shareholders;

g. providing leadership and ensuring the effective performance of the Board;

h. maintaining ongoing relations with management that are conducive to productive co-operation, and ensuring the provision by management to directors of accurate, timely and clear information;

i. arranging regular evaluations of the performance of the Board and its Committees and of individual directors;

j. ensuring directors continually update their skills and experience and knowledge of the Company necessary to fulfil their role on the Board and Committees; and

k. establishing a protocol to be applied if the Chairman is absent from meetings of the Board.

Board Structure

Criteria for Appointment

Directors are appointed under the terms of the Company's Constitution. Appointments to the Board are to be based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise and experience on the Board. The categories considered necessary for this purpose is a blend of accounting and finance, business, technical and administration skills.

Formality of Appointment

Directors should be appointed pursuant to formal agreements. The expectations for time to be committed and involvement in Committees and other activities of the Company should be set out in writing.

Role of Non-Executive Directors:

Non-executive directors collectively shall meet as frequently as required, but not less than 2 times per year. Non-executive directors collectively should:

a. challenge executive management and contribute to the development of strategy;

b. scrutinise the performance of executive management against agreed objectives and strategies;

c. monitor the quality, quantity and efficiency of internal and external reporting of Company performance;

d. review independently and challenge the proposals presented by executive management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision making; and

e. take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust.

Non-executive directors individually should:

a. take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as directors of the Company;

b. monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a director of the Company, and provide quality assistance to enable the Company to achieve its objectives; and

c. undertake ongoing education to maintain appropriate skill levels, and attend site visits to the Company to assist with the need to remain familiar with the Company's business activities.

Annual Review of Non-Executive Directors

Board composition should be reviewed annually by the Board to ensure that the non-executive directors between them bring the range of skills, knowledge and experience necessary to direct the Company in the future, taking into account its current operations and expectations for changes in the nature and scope of its activities.

Expectations of Directors

Prospective candidates for election as directors of the Company are to be acquainted with the role of the Board and its Committees and the contribution that directors are expected to make, including, in particular, the time commitment that the Company expects of directors. Directors are expected to prepare in advance of each meeting in order to fulfill their responsibilities as directors.

Conflicts of Interest and Potential Conflicts of Interest

A director must inform the Board or the Chairman as soon as the director becomes aware of any conflict or potential conflict of interest the director may have in relation to any transaction or matter relevant to the Company or its business. Unless the Board decides or the law requires otherwise, the director should be absent from any discussion and decision on that transaction or matter.

Compliance with Legislation and Board Policy

Directors must comply with the relevant legislation impacting on their activities as directors, and with all policies established by the Board.

Committees

The Board may establish, as required, standing and temporary Committees to which it may delegate some of its powers. Each Committee shall adopt a charter in order to define the role, responsibility, powers, structure, composition, operation and administration of the Committee and the Board.

The Board has the adopted an Audit Committee. The Audit Committee, and any other Committee the Board should adopt, should report to the Board, as it considers appropriate having regard to matters and issues of significance that may arise, but in any case at least twice annually.

The minutes of the Audit Committee meetings, and the meeting minutes of any other Committee the Board should adopt, should be included in the Board pack of directors for each Board meeting, except where the Chairman considers it inappropriate due to potential conflicts.

Board Performance

The Board has a process for reviewing its performance and that of its individual directors, Committees and senior management. The Board meets annually to review the outcome of this process.

The annual procedure for Board performance evaluation will be to:

- review its performance against the terms of the Board Charter;
- review the performance of Committees against the terms of their charters;
- review the contribution of each director; and
- review the changes that may be required to the charter of the Board or its Committees, taking into account the developments in the Company and its businesses over the preceding year, and in corporate governance practices.

The Board will determine the scope and detailed procedures involved in this performance evaluation.

Indemnity and Insurance

The Company maintains a Directors' and Officers' Liability insurance policy to indemnify directors against liability (subject to certain exclusions) arising out of the discharge of their duties as directors. All such insurance cover is to be obtained at reasonable rates and on reasonable terms.

Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Board Review of Mandate

The Board may review and, as and when necessary, revise this Mandate.

In accordance with applicable securities laws, the text of this mandate shall be included in the Company's management proxy circular for each annual meeting of the Company's shareholders.

SCHEDULE B

AUDIT COMMITTEE CHARTER

Adopted: April 16, 2008

1. ROLE

The audit committee (the "**Committee**") will assist the Board of Directors (the "**Board**") of Fusion Resources Limited (the "**Company**") fulfill its corporate governance and oversight responsibilities. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, the external auditors, and the management of the Company.

2. ADMINISTRATION OF THE COMMITTEE

2.1 Membership

2.1.1 The members of the Committee shall be appointed by the Board for one-year terms and may serve consecutive terms.

2.1.2 The Committee shall be composed of not less than three (3) members. If a member of the Committee retires, is removed or resigns from the Board, that member shall cease to be a member of the Committee.

2.1.3 Each member of the Committee shall:

(a) be a member of the Board;

(b) unless otherwise determined by the Board, in accordance with Canadian National Instrument 52-110 - Audit Committees ("**NI 52-110**"), be independent within the meaning of NI 52-110; and

(c) unless otherwise determined by the Board in accordance with NI 52-110, have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 Chairman

2.2.1 The members of the Committee shall appoint a person from among its members to act as the chairman of the Committee (the "**Chairman**"). The Chairman shall be approved for a one-year term.

2.2.2 The Chairman is responsible for:

(a) ensuring the Committee adequately addresses each of its functions and responsibilities, on an on-going basis;

(b) ensuring the Board and, if appropriate, the Chief Executive Officer and the Chief Financial Officer are aware of concerns of the Committee;

(c) liaise with the chairperson of the Board to coordinate the raising of Committee matters with the Board;

(d) communicate with the Board to keep it apprised of all major developments involving audit and financial reporting matters;

(e) chair and manage meetings of the Committee;

(f) set and assess periodically the frequency of Committee meetings; and

(g) on an on-going basis, evaluate the Committee's objectives, duties and the effectiveness of its performance.

2.3 Meetings

2.3.1 Unless otherwise set forth herein, Committee meeting shall be governed by the same rules as set out in the Company's Constitution as they apply to the meetings of the Board.

2.3.2 The Committee shall meet as frequently as required, but not less than four times per year.

2.3.3 The Chairman, in consultation with management, shall appoint a secretary to the Committee (the "**Secretary**").

2.3.4 The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

2.3.5 The agenda for Committee meetings will be determined by the Chairman in consultation with management and members of the Committee.

2.3.6 The Secretary shall forward a notice of each meeting of the Committee to each Committee member as many days as possible and not less than 3 days prior to the date of the meeting.

2.3.7 Minutes and resolutions of meetings of the Committee shall be maintained by the Secretary and distributed to all Committee members and the Chairman following the approval of such minutes and resolutions by the Chairman.

2.3.8 Committee minutes may be made available to any member of the Board following a request to the Chairman, providing no conflict of interest exists.

2.4 Attendance at Meetings

2.4.1 A quorum will comprise any two (2) Committee members.

2.4.2 Each member shall have one vote and the Chairman shall not have a second or casting vote.

2.4.3 The Chief Executive Officer, Chief Financial Officer, the Company Secretary, representative(s) of the external auditors, members of management or other parties deemed necessary by the Committee to provide information may attend meetings by invitation.

3. RESPONSIBILITIES

3.1 **The Committee shall:**

Financial Reporting

3.1.1 periodically assess and review the effectiveness of the Company's financial reporting and internal control policies;

3.1.2 ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements;

3.1.3 periodically assess the procedures referred to in subsection 3.1.2 above;

3.1.4 monitor and review the Company's compliance with legal and regulatory requirements;

3.1.5 review, prior to public disclosure, the Company's annual and interim financial statements, MD&A and earnings press releases, taking into account:

(a) critical accounting policies and practices and any changes therein;

(b) decisions requiring a major element of judgment;

(c) the extent to which the financial statements are affected by any unusual transactions;

(d) the clarity of disclosures;

(e) significant adjustments resulting from the audit;

(f) the going concern assumption;

(g) compliance with accounting standards; and

(h) compliance with stock exchange and other legal requirements;

3.1.6 review and approve any financial reporting required to be made to any lenders or strategic investors;

3.1.7 review the consistency of the Company's accounting policies both on a year-to-year basis and across the Company and its subsidiaries and the impact of changes in the accounting standards and legislation on the Company's accounting policies, and where the Committee deems it necessary, adopt changes to the Company's accounting policies in response thereto;

3.1.8 obtain reasonable assurance, from discussions with and reports from management and external auditors, that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively and that the Committee is fully apprised of all unrecorded audit adjustments and the rationale for any judgement calls made in relation to the Company's financial statements;

3.1.9 ensure the Company's external reporting complies with the Company's accounting policies, the Corporations Act 2001 (Cth), International Financial Reporting Standards and all other applicable policies and rules and securities laws;

3.1.10 discuss any significant matters arising from the audit, management judgments and accounting estimates with management and internal auditors (if any), and external auditors;

3.1.11 review with management and the external auditor and, as considered appropriate by the Committee, with outside legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Company, and the manner in which any such litigation, claim or contingency has been disclosed in the Company's financial statements and disclosure documents;

3.1.12 obtain reasonable assurance from management about the process for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information;

3.1.13 review the contents of any prospectus or similar document, including the financial statements contained therein, and after such review and where deemed appropriate, shall recommend to the Board the approval of any financial statements contained therein that have not previously been approved;

3.1.14 monitor the policies of the Company in respect of compliance with corporate, environmental, mineral and resource, trade practices and other relevant laws and regulations;

3.1.15 provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's audit policies and practices;

3.1.16 review and recommend to the Board the appointments of the Chief Financial Officer and any other key financial members of management;

3.1.17 recommend to the Board the policies and practices for the payment, monitoring and review of the expenses of the Board and officers of the Company who report directly to the Board;

3.1.18 ensure that the Company complies with all legal requirements relating to the declaration and payment of dividends;

External Auditor

3.1.19 recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company based on criteria relevant to the business of the Company, including experience in the industry in which the Company operates, references, cost and any other matter deemed relevant by the Committee, and the following mandatory criteria:

(a) the external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period;

(b) the external auditor of the Company must have arrangements in place for the rotation of the audit engagement partner on a regular basis; and

(c) the auditor partner, or his representative, must be available to attend at the annual general meetings of the Company to answer questions from shareholders through the chairman of the meeting;

3.1.20 recommend to the Board the compensation of the external auditor;

3.1.21 oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

3.1.22 ensure that the external auditor is independent and objective and that the Committee receives from the external auditor a formal written statement describing any and all relationships between the external auditor and the Company;

3.1.23 engage in a dialogue with the external auditor with respect to any disclosed relationships or services that could impact the objectivity and independence of the external auditor and may take, or recommend that the Board take, appropriate action to ensure the independence of the external auditor;

3.1.24 ensure that the external auditor is satisfied that the accounting estimates and judgments made by management, and management's selection of accounting principles, reflect an appropriate application of International Financial Reporting Standards;

3.1.25 develop a relationship with the external auditor that allows for full, frank and timely discussion of all material issues;

3.1.26 meet on a regular basis with the external auditor, without management present;

3.1.27 confirm with the external auditor the external auditor's judgment of the acceptability and quality of the Company's accounting principles as applied in the Company's financial reporting, including without limitation, disclosure, degree of aggressiveness or conservatism in the accounting principles and underlying estimates, and other significant decisions made by management in preparing the Company's financial reporting and disclosure materials;

3.1.28 either (i) pre-approve all services to be provided to the Company or its subsidiaries by the external auditor (however the Committee may delegate authority to pre-approve non-audit services to one or more members of the Committee however, pre-approval of any non-audit services must be presented by any member to whom authority has been delegated to the full Committee at its first scheduled meeting after such approval); or (ii) adopt specific policies and procedures for the engagement of non-audit services provided that: (1) the policies and procedures are detailed as to the particular service; (2) the Committee is informed of each non-audit service; and (3) the procedures do not include delegation of the Committee's responsibilities to management;

3.1.29 review the planning and results of the external audit, including:

(a) the external auditor's engagement letter;

(b) the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines;

(c) the post-audit management letter;

(d) the form and content of the audit report; and

(e) any other related audit engagements;

3.1.30 ensure that the external auditor has direct access to the Committee and unrestricted access to the Company's information;

3.1.31 assess management's response to, and action on, the external auditor's post-audit reporting letter;

3.1.32 assess the external auditor's performance on an annual basis and report to the Board;

3.1.33 direct the external auditors' examinations to additional particular areas, where appropriate;

3.1.34 where appropriate, request that the external auditors to undertake special examinations;

3.1.35 review control weaknesses identified by the external auditors, together with management's response;

3.1.36 review and approve the Company's hiring policies regarding current and former partners and employees of the present and former external auditor;

Reporting

3.1.37 report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues;

3.1.38 on an annual basis, report to the Board and shareholders of the Company on all matters relevant to the performance of its role and the discharge of its duties during the period, having regard to corporate governance guidelines and best practice recommendations established by the Australian Securities Exchange (the "**ASX**") and the Toronto Stock Exchange (the "**TSX**") addressing all matters relevant to the committee's role and responsibilities, including:

(a) whether external reporting is consistent with the Committee members' information and knowledge and is adequate for shareholder needs;

(b) the management processes supporting external reporting;

(c) procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;

(d) recommendations for the appointment or removal of an auditor;

(e) the performance and independence of the external auditors and whether the audit committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;

(f) the performance and objectivity of the internal audit function; and

(g) the results of its review of risk management and internal compliance and control systems;

Independent Experts

3.1.39 if the Committee determines that it is appropriate to do so, appoint (to a maximum cumulative cost to the Company of $20,000 per annum) and terminate the appointment of any independent experts to enable it to carry out its responsibilities.

Whistle Blowing

3.1.40 establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

3.1.41 establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

Risk Management

3.1.42 provide the Board with advice and recommendations regarding the establishment and implementation of:

(a) a risk management system; and

(b) a risk profile for the Company that describes the material risks (including financial and non-financial risks) which the Company faces;

3.1.43 provide the Board with advice and recommendations regarding the roles and respective accountabilities of the Board, the Committee, management and the internal audit function (if any) in respect of the Company's risk management system;

3.1.44 periodically assess and review the effectiveness of the Company's procedures for the identification, assessment, reporting and management of risks including the areas of crisis management, capital expenditure, taxation strategy, funding, commodity and foreign exchange and interest rate exposure, insurance coverage, fraud and information systems technology;

3.1.45 ensure that adequate procedures are in place to achieve the Company's objectives as to the effectiveness and efficiency of operations and to safeguard the Company's assets;

3.1.46 regularly review and update the Company's risk profile;

Internal Audit

3.1.47 periodically assess, review the need for an internal audit function on a regular basis;

3.1.48 if the Committee determines that it is appropriate to do so, it shall establish an internal audit function whose purpose is to analyse the effectiveness of:

(a) the Company's risk management and internal compliance and control system; and

(b) the implementation of the Company’s risk management and internal compliance and control system;

3.1.49 if the Company has an internal audit function, the Committee shall:

(a) review the results and effectiveness of the internal audit programs;

(b) recommend the scope of the internal audit for Board approval;

(c) review and approve the appointment and dismissal of senior internal audit executives;

(d) ensure the internal audit function is independent of the external auditor;

(e) ensure that the internal audit function has all necessary access to management and the right to seek information and explanations;

(f) receive summaries of significant reports to management prepared by internal audit, the management response and the recommendations of internal audit;

(g) ensure no management or other restrictions are placed on the internal auditors; and

(h) ensure that appropriate resources are made available to the internal auditors; and

General

3.1.50 comply with and carry out all other duties of an audit committee as prescribed the Australian Corporations Act 2001 (Cth), Australian and Canadian accounting standards and other applicable legislative and regulatory provisions.

4. REVIEW OF COMMITTEE PERFORMANCE

4.1 The Board shall review the effectiveness of the Committee annually.

4.2 The Board will review this Charter annually and revise it as appropriate.

4.3 Committee members are not entitled to receive additional remuneration for their services in connection with the Committee. The Board will review the remuneration of the Committee in June 2008.

5. AUTHORITY OF THE COMMITTEE

5.1 The Committee has the authority to:

5.1.1 engage at the Company’s expense, independent counsel and other advisors, such as external legal counsel, as it determines necessary to carry out its duties;

5.1.2 set and pay the compensation for any advisors employed by the audit committee;

5.1.3 conduct any investigations it considers necessary and seek explanations and additional information from any employee of the Company and/or from the external auditor;

5.1.4 approve accounting policies and procedures and auditing methodology (issues of material importance, however, will be referred to the Board with the Committee’s recommendation); and

5.1.5 communicate directly with the external auditor and any internal auditor and have unrestricted access to management, internal auditor (if any) and external auditors and all company records for the purpose of carrying out its duties and responsibilities under this Charter.

6. CONFLICT

In the event of any conflict between this charter and any other relevant legal requirements, including those of the ASX or the TSX (as applicable), the Corporations Act 2001 (Cth), and applicable securities laws, the Committee shall immediately bring the conflict to the attention of the Board which shall resolve such conflict upon consultation with the Company's legal advisors.