

Corporate Governance Statement

The Board of directors of Queensland Mining Corporation Ltd ("QMC") is responsible for establishing the corporate governance framework of the consolidated entity giving regard to the 3rd edition of the ASX Corporate Governance Principles and Recommendations ("Recommendations"). The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board seeks, where appropriate, to adopt without modification, the Recommendations. Where there has been any variation from the Recommendations, it is because the Board believes that the Company is not as yet of size, nor are its financial affairs of such complexity and its ownership structure, to justify some of these Recommendations. The Board is of the view that with the exception of the departures to the Recommendations as are set out below, it otherwise complies with all of the Recommendations during the year ended 30 June 2017.

This Corporate Governance Statement is approved by the Board of QMC and is current as at 30 June 2017.

The following table briefly addresses each recommendation made by the Corporate Governance Principles and Recommendations.

ASX Principles and Recommendations	Summary of position of the Company
Principle 1 – Lay solid foundations for management and oversight Companies should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.	
Recommendation 1.1 – A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<p>The Board has approved a formal Charter that details their functions and responsibilities. The charter includes a formal statement of the area of authority delegated to the management. The Charter is available in the 'About Us' section on the company website www.qmcl.com.au.</p> <p>In summary, the management is responsible for implementing the strategic objectives and operating within the risk appetite set by the Board and for other aspects of the day-to-day running of the Company. It is also responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.</p>
Recommendation 1.2 – A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>The Nomination Committee is responsible and ensure that appropriate checks are undertaken before it appoints a person, or putting forward to security holders a candidate for election, as a director.</p> <p>The following information about a candidate standing for election or re-election as a director is provided to security holders to assist them to make their decision:</p> <ul style="list-style-type: none"> • Biographical details including qualifications and experience. • Details of other material directorship. • Any material adverse information revealed by the checks. • Details of any interest, position, association or relationship that might

	<p>influence the capacity to bring an independently judgement.</p> <ul style="list-style-type: none"> • A statement that effect if the Board consider the candidate is qualify as an independent director. • The term of office currently served by a director standing for re-election. • A statement by the Board that supports the election or re-election of the candidate.
Recommendation 1.3 – A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointments.	<p>The Company has written agreement with each director and senior executive setting out the terms of their appointment.</p> <p>The agreement with non-executive directors is in the form of letter of appointment.</p>
Recommendation 1.4 – The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>The company secretary is accountable directly to the board, through the chair person, on all matters to do with the proper functioning of the board and its committees. Each director is able to communicate directly with the company secretary and vice versa. The decision to appoint or remove a company secretary is made or approved by the board.</p>
<p>Recommendation 1.5 – A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving the gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <ol style="list-style-type: none"> 1) the respective proportions of men and women on the board, in senior executive position and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) it the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.. 	<p>The Company does not have a diversity policy. The Company employed total seven permanent employees as at 30 June 2017. The team comprises three directors, one alternate director whom is a woman, a company secretary and two geologists. It means one out of four Board members is a woman and one out of seven of the Company's permanent employees is a woman.</p> <p>Under the current business environment that most junior mining/exploration companies are facing, the company is trying to optimise the efficiency of its limited human resources. Gender diversity is not a priority consideration when the company needs to hire new employee. The board believes, with such a small number of employees, a diversity policy may undermine the flexibility of the company to employ the right person to fill a vacancy.</p> <p>The company is not a "relevant employer" under the Workplace Gender Equality Act.</p>
<p>Recommendation 1.6 – A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was</p>	<p>The board is responsible for regularly review of the performance of the board, its committees and individual directors. The review process comprises individual interview with members of the board and its committees by an independent non-executive director. The independent non-executive director will report his finding to the</p>

<p>undertaken in the reporting period in accordance with that process.</p>	<p>board and the board will address the issues that may emerge from the interviews.</p> <p>The board also undertakes review of its own performance by measuring its effectiveness on discharging its duties as set down in the board charter. The board will address any issues that may emerge from the review.</p> <p>A performance evaluation was undertaken during the reporting period in accordance with the process.</p>
<p>Recommendation 1.7 – A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The senior executives of the company are subject to annual performance evaluation. The process comprises individual interview of the executive by the CEO and measure the executive achievement during the period against the tasks assigned to him or her at the beginning of the period.</p> <p>A performance evaluation on senior executives was undertaken during the reporting period in accordance with the process.</p>
<p>Principle 2 – Structure the Board to Add Value</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>	
<p>Recommendation 2.1 – The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclosed: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The board has established a nomination committee which operates under the guideline of a charter. The charter of the nomination committee is disclosed in the company's website.</p> <p>The committee has three members and chaired by the independent non-executive director. Due to the composition of the board, the other two members of the committee are the executive director (CEO) and the alternate director. The details of the member of the committee and their attendance to the committee meetings are disclosed in the Directors' Report section of the Annual Report.</p>
<p>Recommendation 2.2 – A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board believes its members are having a good mix of skills and diversity that enable it to discharge its duties as required by its charter. The skills and experiences of the directors are disclosed in the Directors' Report section of the Annual Report.</p>

<p>Recommendation 2.3 – A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director; the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Dr Lakshman Jayaweera is considered by the board to be an independent director.</p> <p>All other directors are not considered to be independent directors.</p> <p>The length of service of each director is disclosed in the Directors' Report section of the Annual Report.</p>
<p>Recommendation 2.4 – A majority of the board of a listed entity should be independent directors.</p>	<p>The company recognises a high performing and effective board is essential for the proper governance of a listed entity.</p> <p>Due to the scale of its operations, the company currently employs seven permanent employees (including directors) and with annual budget spending of around \$2.5 million. All its projects are in their exploration or development stages and yet to produce any products. In consideration of the above factors, the company has appointed three directors and an alternate director to its board. The board believes its current size is sufficient so that the requirements of the business can be met while maintaining a sensible balance between cost and effectiveness of its operations.</p> <p>The three member on the board consists one independent non-executive director, one non-executive director and one executive director (the CEO). The non-executive director has appointed an alternate director to assist him in performing his role as a director of the company.</p> <p>The company failed to comply with the Recommendation that requires a majority of the board should be independent directors throughout the 2017 financial year.</p>
<p>Recommendation 2.5 – The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The chair of the board is an independent non-executive director whom is not the CEO of the Company.</p>
<p>Recommendation 2.6 – A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The nomination committee assists the board to approve and overseeing the induction program for new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>
<p>Principle 3 – Act ethically and responsibly</p> <p>A listed entity should act ethically and responsibly</p>	
<p>Recommendation 3.1 – A listed entity should:</p>	<p>The company has a corporate code of conduct which regulates the company's external</p>

<p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>dealings and dealings with securities holders. All executives and employees are required to abide by laws and regulations that apply to the company and its operations, not knowingly participate in any illegal or unethical activity, not participate in any activity that would conflict with the company's best interest or that would be likely to negatively affect the company's reputation, to respect confidentiality and the proper handling of information and act with the highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the company, its security holders, customers, suppliers and the community.</p> <p>All major supplies to the company requires quotes from three suppliers for comparison purpose and the CEO is responsible to make the final approval of any major purchases. The process of payment to creditor is overseeing by the CFO and all payments must be authorised by two signatories. The purpose of these processes is to prevent the offering or acceptance of bribes and other unlawful or unethical payments or inducements.</p> <p>In case of potential conflict of interest arises, the employee that involves in potential conflict of interest will be removed from the decision making process and replaced by another executive whom will make final decision on the matter based upon its merit.</p> <p>The company encourages employees to report any unlawful or unethical behaviour and the employee whom reported violations in good faith will be treated confidentially and protected by the board.</p> <p>The code of conduct will be regularly reviewed and updated as necessary to ensure they reflect the highest standards of behaviour and professionalism.</p>
<p>Principle 4 – Safeguard Integrity in Corporate Reporting</p> <p>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of tis corporate reporting.</p>	
<p>Recommendation 4.1 – The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board. <p>and disclosed:</p> <ol style="list-style-type: none"> 3) the charter of the committee; 	<p>With the assistance of the audit and risk committee, the company has formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p> <p>Due to the composition and size of the board, the audit and risk committee consists three members in which only one of them is an independent non-executive director. The independent non-executive director is appointed the chair of the committee and he is also the chair of the board.</p>

<p>4) the relevant qualifications and experience of the members of the committee; and</p> <p>5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The charter of the committee is disclosed in the company's website. The relevant qualifications and experience of its members and their attendances to the committee meetings are disclosed in the Directors' Report section of the Annual Report.</p>
<p>Recommendation 4.2 – The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Section 295A of the Corporations Act requires each person who performs the CEO or CFO function in a listed entity established in Australia to provide a declaration that, in their opinion, the financial records of the entity for a financial year have been properly maintained in accordance with the Act and that the financial statements and the notes for the financial year comply with the accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board received such declarations from the CEO and CFO before the directors approve the financial statements for the financial year.</p>
<p>Recommendation 4.3 – A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company recognises the opportunity for security holders to question a listed entity's external auditor at the AGM is an important safeguard for the integrity of the corporate reporting process. It becomes a practice that the external auditor is invited to attend all AGMs held by the Company and make themselves available to answer questions from security holders relevant to the audit.</p>
<p>Principle 5 – Make Timely and Balanced Disclosure</p> <p>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>	
<p>Recommendation 5.1 – A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The company has a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules.</p> <p>In summary, the policy requires all employees and contractors of the company who are responsible for their relevant areas of operation must report to the CEO or the company secretary any information that could potentially be considered material immediately after the employee or contractor become aware of it. The CEO and the company secretary are responsible to determine whether the information should be disclosed to the ASX. If</p>

	<p>so, any appropriate release will be prepared and circulated to the directors for approval prior to release.</p> <p>The policy is designed to ensure the company makes timely, factual, complete and balanced disclosure of all matter concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p> <p>The company secretary is responsible for all communications with the ASX. The CEO is responsible to other external communications such as shareholders, media and business analyst.</p> <p>The board has responsibility for the implementation of the policy. The policy is regularly reviewed by the board to ensure it remains effective.</p>
<p>Principal 6 – Respect the Rights of Security Holders</p> <p>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</p>	
<p>Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The company respects the rights of its security holders. Appropriate information is provided to security holders in a timely manner and the company website (www.qmcl.com.au) provides a two-way platform for communication between the security holders and the company.</p> <p>The security holders can access all relevant corporate governance information from the “Corporate Governance” landing page of the company website. The information in the web page includes the corporate governance statement, charters of the board and its committees and other major policies such as code of conduct and continuous disclosure policy.</p> <p>The website also contains other information such as a brief overview of the company’s current business, its structure and a corporate directory, the brief biographical information of the directors and senior executives, annual reports and financial statements, ASX announcements and releases and notices of meeting of security holders.</p>
<p>Recommendation 6.2 – A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The company has a simple investor relations program to facilitate effective two-way communication with investors. Security holders are encouraged to attend the annual general meeting of the company. The directors and senior management members of the company always make themselves available to meet with security holders at the AGM in order to have the opportunity to impart to security holders a greater understanding of the company’s</p>

	operations, governance, financial performance and prospects. It also provides an opportunity for security holders to express their view to the company's board and management about any areas of concern or interest for them.
Recommendation 6.3 – A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The company always arrange venue of its AGM at convenience locations that most security holders find it is easily to commute to. Facility is also arranged by the share registry of the company that security holders are able to vote ahead of the meeting without having to attend or appoint a proxy. Security holders are also encouraged to submit their questions or comments ahead of the meeting which provide opportunity for the management and external auditor to well prepare their responses to address the issues that arose.
Recommendation 6.4 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>Security holders can contact the company electronically through the “contact us” landing page of the company website. It is the policy of the Company to respond to all enquiries from the security holders.</p> <p>All security holders are also able to communicate with the company's security registry electronically through their website.</p>
Principle 7 – Recognise and Manage Risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
Recommendation 7.1 – The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> 1) has at least three members a majority of which are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	<p>Recognising and managing risk is a crucial part of the role of the board and the management. The company has an audit and risk committee to oversee risk. However, the ultimate responsibility for oversee the risk management framework rests with the full board.</p> <p>Due to the composition and size of the board, the audit and risk committee consists three members in which only one of them is an independent director. The chair of the committee is an independent director.</p> <p>The charter of the committee is disclosed in the company's website. The details of its member and their attendance to committee meetings are disclosed in the Directors' Report section of the Annual Report.</p>
Recommendation 7.2 – The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	The risk management framework is subject to annual review by the committee and such a review has taken place during the reporting period. The committee satisfied itself that the risk management framework continues to be sound, efficient and effective.

(b) disclose, in relation to each reporting period, whether such a review has taken place.	
<p>Recommendation 7.3 – A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The company does not have an internal audit function. The audit and risk committee is responsible to evaluating and continually improving the effectiveness of its risk management and internal control process through regular review of its operations to ensure appropriate risk identification, assessment, control, management, monitoring and reporting are implemented satisfactory.</p>
<p>Recommendation 7.4 – A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The company, operates in the mining and exploration industry, has exposure to economic, environmental and social sustainability risks. The audit and risk committee is responsible to manage these risks.</p> <p>All of the projects of the company are in their exploration and development stages. The major business risks that could affect results and performance include:</p> <ul style="list-style-type: none"> • failure to locate or identify economic mineral deposits; • failure to achieve predicted commercial grades in exploration and mining; • unanticipated metallurgical problems which may affect extraction costs; • adverse weather and seasonal climatic conditions; • change of State and Federal laws and regulation concerning the environment; • Native title rights of indigenous Australians may affect access to prospective exploration areas; • land access through compensation agreements with land owners; and • unable to raise finance to continues its exploration programs. <p>The Company's risk management framework supports the proactive management of these and other risks through identifying, assessing and managing business risks. Major business risks identified are escalated to the board as appropriate and integrated into key business decision-making and activities, including strategy development, projects and change initiatives.</p>
<p>Principle 8 – Remunerate Fairly and Responsibly</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p>	
<p>Recommendation 8.1 – The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p>	<p>The remuneration policy of the company aims to pay director remuneration sufficient to attract, retain and motivate high quality directors and senior executives while not paying excessively</p>

<ol style="list-style-type: none"> 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings, or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>under general commercial measure. It also ensures that the incentives for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the board.</p> <p>The board has appointed a remuneration committee to assist in the remuneration affair. The committee has three members. Due to the composition of the Board only one of them is an independent director. The committee is chaired by the independent director. The committee has a charter that clearly sets out its role and confers on it all necessary powers to perform that role. The charter is published in the company's website. The names of the committee member and their attendance to committee meeting are disclosed in the Directors' Report section of the Annual Report.</p> <p>No committee member is allowed to be involved in deciding his or her own remuneration or be positioned to potential conflict of interest in being involved in setting the remuneration for other executives that may indirectly affect their own.</p>
<p>Recommendation 8.2 – A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The policies and practices regarding the remuneration of non-executive directors and executive director are disclosed separately in the Remuneration Report in the Directors' Report section of the Annual Report.</p>
<p>Recommendation 8.3 – A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company has a policy on equity-based remuneration scheme. The summary of the policy is:</p> <ul style="list-style-type: none"> • The remuneration committee, at its sole discretion, may offer share-based payments to its employees as long term incentives. • The terms of the payments are determined by the remuneration committee. • The options/rights issued under the scheme are not transferrable and can only be exercised by the participants. • The participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Other Information

Further information relating the company's corporate governance practices and policies has been made publicly available on the company's website at www.qmcl.com.au