

**ASX Release**

**27<sup>th</sup> September 2018**

**Listings Officer**

**Company Announcements**

**ASX Limited, Melbourne**

## **2018 Corporate Governance Statement**

### **ASX Appendix 4G Key to Disclosures**

### **Corporate Governance Principles and Recommendations**

Verdant Minerals Ltd is pleased to lodge the Company's 2018 Corporate Governance Statement and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) in accordance with Listing Rules 4.7.3 and 4.10.3.

The Company's 2018 Corporate Governance Statement, ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents can also be sourced on the Company's website at the following URL:

<http://www.verdantminerals.com.au/about/corporate-governance>

**Bruce Arnold**

**Company Secretary**

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## CORPORATE GOVERNANCE STATEMENT

### INTRODUCTION

The Board of Directors is responsible for the corporate governance of Verdant Minerals Ltd (the Company) and its controlled entities (the Group). The Group acknowledges and adopts the best practice where reasonable, taking into account the size and activities of the company, when establishing policy and procedures. Corporate governance is having a set of core values and behaviours that ensure integrity, accountability and protection of the interests of all stakeholders – including shareholders, personnel, suppliers and communities in which the Group operates.

The Board of Directors supports the Corporate Governance Principles and Recommendations (3rd Edition, released in March 2014) (ASX Recommendations) developed by the ASX Corporate Governance Council (Council) and in accordance with ASX listings rules uses these principles as guidelines for establishing policy and procedures.

The Company's endeavours to follow guidelines and practices are broadly consistent with the ASX Recommendations. In some instances the Board considers that the implementation of a small number of ASX Recommendations is not appropriate or reasonable given the size of the company and the scale of operations as the company is in exploration and evaluation phase at this point in time.

This Corporate Governance Statement (CGS) discloses the extent to which the Company has followed the ASX Recommendations or otherwise departed from recommendations during the Reporting Period. The statement is current to the date 26<sup>th</sup> September 2018 and addresses the following principles:

#### **ASX Corporate Governance Principles**

Principle 1 – Lay solid foundations for management and oversight

Principle 2 – Structure the Board to add value

Principle 3 – Act ethically and responsibly

Principle 4 – Safeguard integrity in corporate reporting

Principle 5 – Make timely and balanced disclosure

Principle 6 – Respect the rights of security holders

Principle 7 – Recognise and manage risk

Principle 8 – Remunerate fairly and responsibly

The Company has also prepared the "ASX Appendix 4G – Key to Disclosures" (which reports on the Company's compliance with each of the ASX Recommendations) and this has been lodged together with the CGS on ASX and may be viewed and downloaded from the Company's website.

The Company's latest Annual Report (and other ASX market announcements and releases) can be viewed and downloaded from the Company's website URL <http://www.verdantminerals.com.au/>

The Corporate Governance tab on the Verdant Minerals website includes copies of the charters, codes and policies which are referred to in this CGS.

The names of the Directors currently in office and their qualifications and experience are listed in the Company's Annual Report.

## CORPORATE GOVERNANCE STATEMENT

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### 1.1. *Board of Directors Roles and Responsibilities*

The Board is accountable to the Shareholders for the performance of the Group. The Board is responsible for and has the authority to determine, all matters relating to policies, procedures & practices, management, safety performance and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and ensures all actions are in the best interests of the Group as a whole.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the matters set out below, subject to delegation to the Managing Director as specified elsewhere in this Statement or as otherwise appropriate:

- Developing and monitoring the strategic direction;
- Approval of budgets including capital expenditure (reserved to the Board);
- Approval of capital raisings and significant investments (reserved to the Board);
- Monitoring the financial performance of the Group;
- Appointing and reviewing periodically the performance of the Managing Director against the objectives established by the Board;
- Monitoring periodically the objectives set and performance of executives;
- Overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- Overseeing the implementation and management of effective safety and environmental performance systems;
- Ensuring all major business risks are identified and effectively managed; and
- Ensuring that the Group meets its statutory and legal obligations.

For the purpose of the proper performance of their duties, the Directors are entitled to seek independent professional advice at Verdant Minerals Ltd expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

#### 1.2. *Executive Management Roles and Responsibilities*

The role of Management is to deliver the strategic goals determined by the Board.

The Board has delegated to the Managing Director responsibility for the day-to-day management of the Group, which includes:

- Management of the operations and finances;
- Reporting to the Board on matters including the Group's safety performance, operations and financial performance;
- Recommending the strategic plan, budgets, policies and risk management systems to the Board; and
- Determining Group operating policies, other than those reserved for the Board.

Senior Management may also be delegated responsibility for other matters under policies adopted by the Board.

## CORPORATE GOVERNANCE STATEMENT

### 1.3. Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company (taking into account the Board Skills Matrix referred to in Section 2.3 below) and procedures outlined in the Company's Constitution and the Corporations Act 2001 (Cth).

The Company conducts enquires and appropriate checks prior appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of the meeting at which the election of the Director is to be held, or Annual Report or other document lodged with ASX where the information can be found.

### 1.4. Terms of Appointment – Directors and Executives

On appointment Directors generally receive a letter outlining the material terms of their appointment. Non-Executive Directors of the Company are not appointed for fixed terms.

Executives will generally have written employment agreements with the Company setting out their duties, obligations and remuneration. The current executives are experienced as executives and are well aware of the requirements of their positions, including their roles and responsibilities and their duties as directors/officers of the Company. Remuneration for executives is reviewed and approved by the Board.

The remuneration paid/payable to the Company's 'key management personnel' is detailed in the Remuneration Report in the Company's latest Annual Report.

The Company's constitution requires one third of the Directors (or, if that is not a whole number, the whole number nearest to one third) to retire at each Annual General Meeting (**AGM**). The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire. This rule does not apply to any Managing Director. A Director appointed by the Board since the last AGM and subject to retirement and re-election at the following AGM is also not taken into account in determining the Directors who must retire by rotation.

The initial appointment and last re-election dates of directors during or since the end of the last financial year are listed below:

Director	Appointed	AGM Last Re-elected
James Whiteside	6 October 2016	24 November 2016
Jason Conroy	7 August 2017	AGM vote 23 November 2017
Robert Cooper	1 July 2016	24 November 2016
Jeff Landels	18 October 2012	20 November 2015 Resigned 15 September 2017
Chris Tziolis	15 October 2012	Managing Director - no re-election

## CORPORATE GOVERNANCE STATEMENT

### 1.5. The Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the systems and processes that are appropriate for the Board to fulfil its role. The Company Secretary is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Company Secretary is Bruce Arnold (appointed 31st July 2013), whose qualifications and experience are stated in the Company's latest Annual Report.

### 1.6. Diversity

The Company supports diversity (gender, age, ethnicity and cultural background) as a means of enhancing Company performance by recognising and utilising diverse skills and talent from directors, officers and employees. The Company acknowledges the advantages of a diverse workplace and is committed to:

- Creating a working environment conducive to the appointment of well qualified employees, Management and Board candidates;
- Identifying ways to promote a corporate culture which embraces diversity; and
- Promotes equal opportunity employment,

The Board has established a diversity policy posted on the website. The small size of, and low turnover within the Company's workforce and the industry in which the Company operates are such that it cannot realistically achieve the degree of diversity reflected by the general population. Given these circumstances, and the current nature and scale of the Company's activities, the Board has determined that it is not practicable or appropriate to set quantifiable measurable objectives or targets with respect to the composition of the Board and employees. On this basis the Group has not complied with recommendation 1.5(c) of the ASX Recommendations. Nonetheless the Board continually assesses and reviews the skills, knowledge and experience of all Board members in light of the objectives and direction of the Company. The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and is open to consider measures to improve it.

The Board will give further consideration to the establishment of objectives for achieving gender diversity in respect of the Board Composition and employees when as the Company transitions to development and circumstances change.

The table below sets out the proportion of employees and women in the Company at 26 September 2018.

As at September 2018	No. of Women employees		Total No. of employees		% of Women employees	
	2018	2017	2018	2017	2018	2017
Non-executive Directors	-	-	3	3	-	-
Executives (KMP's)	-	-	3	3	-	-
Group (excluding non-exec directors + including field staff)	1	1	6	6	16%	16%

## CORPORATE GOVERNANCE STATEMENT

### **1.7. Performance Review and Evaluation**

The Board has responsibility to review its own performance as a whole, the performance of individual Directors and the performance of Board Committees. The Chairman also reviews Directors individually regarding their role and performance as a Director.

Generally, evaluations are conducted by the Chairman via questionnaire and/or interview addressing matters such as each Director's individual contribution, Board and Committee performance and the functioning of the Board and Committee processes. The overall outcomes are discussed by the Board with measures set to improve the effectiveness and efficiency of the Board and Committees (as appropriate). The Board performance evaluation was conducted during the Reporting Period.

The Managing Director and Non-Executive Chairman review the performance of the Company Secretary. A Performance review was conducted with the Company Secretary during the Reporting Period.

Executive performance reviews are conducted periodically and on an ongoing basis by the Managing Director and include dialog and feedback in consultation with the all the Directors. Performance reviews have been conducted during the reporting period.

### **PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**

#### **2.1. Board of Directors – Composition, Structure and Process**

The Board is formed so that it has an effective composition, size and commitment to adequately discharge its responsibilities and duties taking into account the current size and the scale and nature of the Company's activities. The Directors periodically review whether the size and composition of the Board remains appropriate to the Company's activities and operating environment and considers the potential for nomination of directors with appropriate skill sets.

Details of each director's, currently in office, qualifications and experience are contained in the profiles included in the Company's latest Annual Report. A Director is initially appointed by the Board and retires (and may stand for re-election) at the next AGM after their appointment (as outlined in Section 1.4 above).

#### **2.2. Nomination & Remuneration**

The Board has not established a nomination and remuneration committee and therefore the Group has not complied with recommendation 2.1 of the ASX Recommendations. Given the size of the Group and composition of the Board, the Board believes that there would be no efficiencies gained from a separate Nomination Committee. Accordingly the Board performs the role of the Nomination & Remuneration Committee. In the event of a lack of independence or possible conflict this task may also be handled by an interim subcommittee nominated from a selection of directors to address a specific task.

The composition/membership of the Board is subject to review in a number of ways, as outlined below:

The Group's constitution provides that at every Annual General Meeting, one third of the directors shall retire from office but may stand for re-election.

Board composition and succession is reviewed periodically to consider potential for the services of a new director, given the existing mix of skills and experience of the Board which should match the strategic demands of the Group. Once it has been agreed that a new director is to be appointed, a search would be undertaken, which may use the services of external consultants. Nominations are subsequently received and reviewed by the Board.

## CORPORATE GOVERNANCE STATEMENT

In the process of considering appointments of directors the following qualities are identified and sought:

- Is a person of integrity;
- Has sufficient abilities and time available to perform the role;
- Brings an independent and questioning mind to the role;
- Enhances the skills and knowledge of the Board; and
- Adds to the experience and diversity of the Board.

### 2.3. Skills, Knowledge and Experience

The Board seeks to ensure that its members have an appropriate mix of skills, knowledge and experience to enable it to properly perform its responsibilities and be well equipped to support and guide the Company through the opportunities and challenges it faces.

While recognising that each Director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of directors with experience in the relevant industry sectors, capital markets, general management, finance and investor relations.

A summary of the directors' skills and experience relevant to the Group throughout the Reporting Period and as the end of the reporting period is set out below:

Skills and Experience	During the Period	At the end of the Period
	(4 Directors)	(4 Directors)
Leadership and Governance	4	4
Corporate	4	4
Sector Experience	4	3
Finance and Risk	3	3

The Board periodically reviews this Skills Matrix.

### 2.4. Chairman

The Chairman is Mr James Whiteside and was appointed as chairman on 24 November 2016. He holds the role as a non-executive director.

### 2.5. Executive Director

The managing director Mr Chris Tziolis is also Chief Executive Officer and therefore an Executive Director.

### 2.6. Non-Executive Directors

The Company acknowledges the role of Non-Executive Directors and the external perspective and advice that Non-Executive Directors offer. The Board currently has a majority of Non-Executive Directors being Mr Whiteside, Mr Conroy, and Mr Cooper. (During the period Mr Landels was also Non-Executive Director)

### 2.7. Independence

The Board is aware of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

## CORPORATE GOVERNANCE STATEMENT

The Board undertakes an annual assessment of each non-executive director's independence. This assessment applies the ASX Recommendations, the Act and current corporate governance practice. Further for each meeting regard is taken to the materiality and type of interest (eg. shareholder, advisor, supplier or customer) that arise from time to time. Any real or potential conflicts of interest are required to be notified to the Chairman.

Mr James Whiteside is considered independent. The ASX Recommendation 2.5 which indicates the chair of the board should be an independent director has been complied with. Mr Cooper was appointed on 1 July 2016 after nomination from the major shareholder. As WHSP holds 33.43% it is a related party and therefore Mr Cooper is not considered independent.

The Board at this time holds the view that Mr Whiteside and Mr Conroy are independent directors (during the reporting period and at the date of this report) and on this basis (2 out of 4) the majority of the Board is not independent. Therefore the ASX Recommendation 2.4 which promotes a majority of independent directors has not been complied with.

The Board has an ongoing brief to assess performance and monitor the size of the board balanced with the opportunity to have expertise at board level to support project evaluation and development as studies milestones are achieved. In due course the Company would expect to have a majority of independent directors with the appointment of additional directors as activities increase in the medium term.

### **2.8. Induction and Professional Development**

It is Company policy to ensure that the Directors and Management of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.

New Directors are generally subject to a Company induction. This includes giving new Directors a briefing about the nature and operations of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of Directors and access to all employees to gain full background on the Company's operations. In addition they are advised on company policy and practices and provided with a copy of the code of conduct.

Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors.

### **2.9. Board Meetings**

The Board holds regular meetings and holds any committee or interim sub-committee meetings whenever necessary to deal with specific matters requiring attention. Directors' Circulatory Resolutions are also utilised where necessary either in place of or in addition to formal Board meetings. Each member of the Board is expected to commit sufficient time to enable them to carry out their duties as a Director of the Company.

### **2.10. Independent Professional Advice**

Subject to prior approval by the Chairman, which will not be unreasonably withheld, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

### **2.11. Company Information and Confidentiality**

All Directors have the right of access to all relevant Company books and to Executives. In accordance with legal requirements and agreed ethical standards, Directors and employees of the Company are expected keep confidential all information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised by the managing director or legally mandated.



## CORPORATE GOVERNANCE STATEMENT

### PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

#### 3.1 Code of Conduct

The Board recognises the need for directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company is committed to its core governance values of integrity, respect, trust and openness among and between directors, management, employees, customers and suppliers. A primary objective is to encourage and develop a culture which will maintain and enhance the Company's reputation as a valued corporate citizen and maintaining a licence to operate in local communities.

The Group's officers and employees are required to act in accordance with the law and with the highest ethical standards. The Board has adopted a formal code of conduct applying to the Board and all employees which can be viewed on the Company's website.

The Code sets out policies in relation to corporate and personal behaviour including health and safety, the environment, employment practices, communities, respecting the law, interpersonal conduct, conflict of interest and alcohol and drugs.

A copy of the Code is made available to new employees when they commence with the Group.

### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

#### 4.1. Audit & Risk Committee

The Audit and Risk Committee assists the Board in overseeing the integrity of the Group's financial reporting, risk management and internal controls. The Company has adopted an Audit and Risk Committee Charter and this is available on the website.

The committee's primary responsibilities are to:

- Monitor and review the financial reporting of the Company;
- oversee the existence and maintenance of internal controls and accounting systems;
- Oversee the management of risk within the Group;
- Oversee the financial reporting process;
- Review the half-year and annual financial reports and recommend them for approval by the Board of Directors;
- Nominate and oversee the performance of external auditors; and
- Ensure compliance with laws, regulations and other statutory or professional requirements, and the Group's governance policies.

The Audit and Risk Committee consisted of three Non-Executive directors during the period:

- Mr Jason Conroy - Chairman (appointed on 25 September 2017)
- Mr James Whiteside
- Mr Robert Cooper

The Chairman of the Committee is an independent director who is not the Chairman of the Board. The ASX Recommendations suggest that the Audit and Risk Committee should have at least three members and a majority of which are independent. The Company did comply during the year with ASX Recommendation 4.1 and 7.1.

The Committee met twice in the reporting period. Details of the qualifications and record of attendance for the members of the Audit and Risk Committee are set out in the Director's report in the Annual Report.

## CORPORATE GOVERNANCE STATEMENT

### **4.2. CEO and CFO Declarations**

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) make the declaration as required under section 295A of the Corporations Act and as per ASX Recommendations to Board supporting the preparation of the financial statements.

These declarations state that, in their respective opinions, the financial records of the Company 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 Company 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 receives, prior to their approval of the Company's financial statements for a financial period (i.e. the half year and full year reports), written assurances from the CEO and CFO.

### **4.3. External Auditor**

The Company's external auditor (Auditor) is selected for its professional competence, reputation and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every five years. The external Auditor attends the Company's AGMs and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. In circumstance that the audit partner is unable to attend a representative of the audit firm is nominated to be in attendance.

## **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

### **5.1 Continuous Disclosure to ASX**

The Group's philosophy is that all shareholders and investors should have consistent access to the Group's publicly available information. The Board ensures that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporation's Act and ASX Listings Rules under Listing Rule 3.1. The Company Secretary has primary responsibility for overseeing all communications with the ASX and is accountable to the Board through the chair for all reporting and disclosure matters.

The Board has adopted a Continuous Disclosure Policy and this is available under Corporate Governance on the Verdant Minerals website. Under a continuous disclosure regime "once the Company is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the securities, the company must immediately advise the market of that information" in accordance with ASX Listing Rule 3.1 and sections 674-678 of the Corporations Act 2001.

## CORPORATE GOVERNANCE STATEMENT

### *PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS*

#### *6.1. Market and Shareholder Communications*

The Board has an objective to ensure that shareholders are provided with sufficient information to assess the performance of the Group and its strategy and so as to make well-informed investment decisions.

Information is communicated to shareholders and feedback facilitated through:

- annual, half-yearly and quarterly financial reports;
- annual and other general meetings convened for shareholder update and approvals as appropriate;
- continuous disclosure of material changes to ASX for open access to the public; and
- the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

All information released to the ASX is posted on the Group's website [www.verdantminerals.com.au](http://www.verdantminerals.com.au) and information relating to the activities and corporate governance is included on the website.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

The Board policy is to facilitate and support participation of shareholder at general meetings.

The Annual Report is distributed to shareholders if they have elected to receive a printed version and is otherwise available by electronic distribution or viewing and downloading from the Company's website. Shareholders also have the option to receive all communications electronically. Where this is not elected the Notice of Meeting for Annual General Meeting and other General Meeting are mailed to shareholders inviting them to attend.

The Managing Director has general responsibility to speak to investors, the media and analysts on the Company's behalf. Other Directors or Executives may be given a brief to do so on particular occasions (where appropriate) with approval of the Managing Director.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email distributions. The Company's reports and ASX announcements can also be viewed and downloaded from the ASX website [www.asx.com.au](http://www.asx.com.au) under ASX code "VRM".

Shareholders may send communications to and receive communications from the Company and its Share Registry electronically. The contact email addresses for the Company is [info@verdantminerals.com.au](mailto:info@verdantminerals.com.au).

#### *6.2. Shareholders' Meetings*

Shareholders can communicate with Directors through various other means including:

- having the opportunity to ask questions of Directors at all general meetings;
- the presence of the Auditor at AGMs to take shareholder questions on any issue relevant to their capacity as Auditor;
- the Company's policy of expecting Directors to be available to meet shareholders at the AGM; and
- the Company making Directors and selected Executives available to answer shareholder questions submitted by telephone, email and other means (where appropriate).

Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and/or to the Auditor (in the case of the AGM) so that these can be addressed in the course of the meeting.

## CORPORATE GOVERNANCE STATEMENT

### *PRINCIPLE 7 – RECOGNISE AND MANAGE RISK*

#### *7.1. Risk Committee*

The Board does not have a separately convened Risk Committee. The Audit & Risk Committee deals with financial and risk management roles. The Board considers that, given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by having a separate Risk Committee. This will be reconsidered when the Company transitions to development and production phase for any of the projects.

#### *7.2. Internal Control and Risk Management*

The Board of Directors is responsible for the overall internal control framework (which includes risk management) and oversight of the Company's policies on and management of risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably-qualified and experienced service providers and suitably-qualified and experienced management personnel. The effectiveness of the controls and risk environment is monitored and continually reviewed by management and on a periodic basis at least half yearly by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Managing Director. Risks facing the Company can be divided into the broad categories of operations, compliance and market risks.

Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, decision-making, exercise of judgment, people or systems or external events. The Managing Director has delegated responsibility from the Board for identification of operations risks generally, for putting processes and procedures in place to mitigate them and monitoring compliance with those processes.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities.

The Company has policies on responsible business practices and ethical behaviour, including conflict of interest and share trading policies, to maintain confidence in the Company's integrity and ensure legal compliance.

The material economic risks to which the Company is exposed, principally consist of market risks. Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates and economic conditions generally including the ability to raise financing including equity for the exploration and evaluation of projects. The Board retains final responsibility to assess the Company's exposure to these risks and set the strategic direction for managing them. Further details are in the Directors' Report and Financial Risk Management note to the financial statements included in the annual report.

The Company's approach to risk management is not static; and evolves under the guidance by the managing director in response to developments in operations and changing market conditions.

Management has reported to the Board in the CEO and CFO certifications as to the effectiveness of the Company's controls in the latest financial year.

## CORPORATE GOVERNANCE STATEMENT

### 7.3. Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate nor warranted.

The Board oversees key elements of an internal audit function, including:

- evaluating and seeking and obtaining reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Company's objectives and goals to be met;
- evaluating information security and associated risk exposures;
- evaluating regulatory compliance programmes with consultation from internal and external legal counsel;
- evaluating the Company's preparedness in case of business interruption; and
- providing oversight of the Company's anti-fraud programmes.

The Board delegates to the Managing Director the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Board for consideration at its next meeting.

### 7.4. Material Exposure to Economic, Environmental and Social Sustainability Risks

The Group periodically reviews its risk across the following categories:

Internal risks including: corporate governance, compliance, human resources, workplace health and safety, finance and administration, operational, product, business development, technology, legal and project risks.

External micro risks including: internal people; key commercial relationships; indirect commercial relationships; reputation; fraud, theft and corruption and money laundering and terrorism risks.

External macro risks including: natural events; political events; economic events; technology changes; environmental events; cultural and religious events and industrial events.

The review identifies existing risks and the processes and procedures that are in place to continually manage these risks and considers changes in the Company's operations and identifies new risks that have or may arise and the processes and procedures that the Company must initiate to control and/or mitigate these risks from impacting upon the performance of the Company. This review has taken place in the reporting period.

The Company, in the opinion of the directors, does not have a material exposure to economic, environmental and social sustainability risks.

## CORPORATE GOVERNANCE STATEMENT

### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

#### **8.1. Remuneration & Nomination Responsibilities**

The Company does not have a Remuneration & Nomination Committee. The Board considers that, given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by having a separate committee.

The Board undertakes all remuneration and nomination responsibilities for directors and executive management. Where necessary this may include nomination of an interim sub-committee to complete specific tasks as delegated by the Board.

#### **8.2. Remuneration Policy**

The Company's remuneration philosophy is to ensure that directors and employees are retained and motivated to pursue growth and development of the company within an appropriate remuneration framework that demonstrates a relationship between accountability, performance and remuneration.

Details of the Company's remuneration policies are contained in the Remuneration Report in the Company's latest Annual Report.

The maximum aggregate annual remuneration which may be paid to non-executive directors is \$250,000. This can only be increased with approval of shareholders.

#### **8.3. Equity Based Remuneration Scheme**

The Company has an Employee Share Option Plan for which shareholder approval was updated at the Annual General Meeting on 27<sup>th</sup> November 2014. The Board may issue options for shares under the Plan to any employee of the Company, including executive directors. Options issued to executive directors must be approved by shareholders.

Where options are issued to non-executive directors this must be with shareholder approval.

The Company does not have a policy on whether participants are permitted to enter into transactions (through the use of derivatives) which limit the economic risk of participating in the scheme. Use of such instruments is nonetheless not supported nor encouraged by the Company and shares can only be traded in accordance with the Dealing in Securities Policy. As the conditions surrounding the options granted are low and given the size of the company the prospect or availability to enter such transactions for reasonable cost is considered low.

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Verdant Minerals Ltd

ABN / ARBN:

33 122 131 622

Financial year ended:

30<sup>th</sup> June 2018

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

☐ These pages of our annual report:

☒ This URL on our website: <http://www.verdantminerals.com.au/about/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 26<sup>th</sup> September 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26<sup>th</sup> September 2018

Name of Secretary authorising lodgement: Bruce Arnold

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ( <b>CGS</b> ) <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <b>Sections 1.1 &amp; 1.2 CGS and Board Charter on website.</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 1.3 CGS</b> <u>OR</u> <input type="checkbox"/> at Security holders provided with information in the Notice of Meeting for AGM.	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 1.4 CGS</b> <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 1.5 CGS</b> <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>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 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> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if 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>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <b>Diversity Policy on Website &amp; Section 1.6 CGS</b></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>- <b>Section 1.6 CGS</b></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>- <b>Section 1.6 CGS</b></p> <p>The company supports diversity but given size of the company and level of activities it is not practical to set objectives at this time in the exploration and evaluation phase of projects.</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>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 undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 1.7</b></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 1.7</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>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 evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 1.7</b></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 1.7</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 2.2 CGS</b></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>- <b>Section 2.2 CGS</b></p> <p><b>There is no nomination committee and the role of such a committee is carried out by the Board.</b></p> <p><u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 2.3 CGS</b></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 2.7 CGS</b> <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 1.4 CGS</b> <b>OR</b> <input type="checkbox"/> at <b>Directors Report in the Annual Report</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement - <b>Section 2.7 CGS</b> <b>During the financial year 2 independent out of 4 directors</b> <b>Given the size of the company &amp; Board this has not been achieved.</b>
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement – <b>Section 2.7 CGS OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 2.8 CGS</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <b>Code of Conduct on Website Corporate Governance</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement- <b>Section 4.1 CGS</b> <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.verdantminerals.com.au/about/corporate-governance">http://www.verdantminerals.com.au/about/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at <b>Directors Report / Annual Report 2018</b></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>Prior to 24 November 2016 the majority of the Audit Committee was not independent. This was complied with by the appointment of a new independent Chairman.</b></p>
4.2	<p>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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 4.2 CGS</b></p> <p><u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 4.3 CGS</b> <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.verdantminerals.com.au/about/corporate-governance">http://www.verdantminerals.com.au/about/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.verdantminerals.com.au/about/corporate-governance">http://www.verdantminerals.com.au/about/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 6.1 CGS</b> <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 6.2 CGS</b> <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 6.1 CGS</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <p>(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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 7 CGS</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>- Section 7.1 CGS</b></p> <p><b>The Board and Audit &amp; Risk committee manages risk.</b></p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 7 2 CGS</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 7 4 CGS</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
7.3	<p>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>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 7.3 CGS</b></p> <p><b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>- <b>Section 7.3 CGS</b></p>
7.4	<p>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>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>Section 7.4 CGS</b></p> <p><b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ 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><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 8.1 CGS and Remuneration Report in the Annual Report</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>- <b>Section 8.1 CGS</b></p> <p>Board performs and is responsible for remuneration committee role.</p> <p><b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement - <b>Section 8.2 CGS and Remuneration Report in the Annual Report</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
8.3	<p>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>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><b>- Section 8.3 CGS</b></p> <p><b>- Securities Trading policy on website. Use of derivatives not supported by company &amp; limited availability given the size of the company.</b></p> <p><b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>