

## Appendix 4G

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

Name of entity:

Emmerson Resources Limited

ABN / ARBN:

53 117 086 745

Financial year ended:

30 June 2019

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.emmersonresources.com.au/governance>

The Corporate Governance Statement is accurate and up to date as at 20 September 2019 and has been approved by the board.

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

Date: 20 September 2019

Name of Director or Secretary authorising lodgement: Trevor Verran, Company Secretary

<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 ... <sup>4</sup>
<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 <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 <a href="http://www.emmersonresources.com.au/governance">http://www.emmersonresources.com.au/governance</a>	<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 <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
1.3	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 <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 <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

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

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 ... <sup>4</sup>
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 <u>OR</u></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 type="checkbox"/> at <i>[insert location]</i></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 <u>OR</u></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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <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 ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
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 <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 <u>OR</u></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 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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <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 ... <sup>4</sup>
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 <u>OR</u> <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 <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <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
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <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
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 <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
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 <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
<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 checked="" type="checkbox"/> in our Corporate Governance Statement <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

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 ... <sup>4</sup>
<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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></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 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 <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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 <u>OR</u></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 ... <sup>4</sup>
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 <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 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 checked="" type="checkbox"/> in our Corporate Governance Statement <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
<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.emmersonresources.com.au">www.emmersonresources.com.au</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 <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
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 <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 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 <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

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 ... <sup>4</sup>
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 <u>OR</u></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 <u>OR</u></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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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>
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 <u>OR</u></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 <u>OR</u></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 ... <sup>4</sup>
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):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 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 <u>OR</u></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>
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 <u>OR</u></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 ... <sup>4</sup>
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 <u>OR</u></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 <u>OR</u></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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>... 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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <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 ... <sup>4</sup>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></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 STATEMENT

This statement reports on Emmerson Resources Limited (“Company” or “Emmerson” or “consolidated entity”) corporate governance framework, principles and practices as at 20 September 2019 and has been approved by the Board. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the recommendations set by the ASX Corporate Governance Council (“CGC”) during the reporting period. A description of the Company’s main corporate governance practices is set out below. All these practices were in place for the entire financial year ended 30 June 2019.

The Board aims to comply with the recommendations to the extent they are practical and applicable to the Company. It is noted that the recommendations are not compulsory for listed companies and where the Company has not complied with a recommendation, reasons for not following the recommendation and what (if any) alternative governance practices have been adopted in lieu of the recommendation have been provided. As the Company’s activities expand in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration.

The table below summarises the Company’s compliance with the CGC’s recommendations.

Recommendation	Comply Yes/No
<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	Yes
(b) those matters expressly reserved to the board and those delegated to management.	Yes
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	Yes
(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.	Yes
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
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.	Yes
1.5 A listed entity should:	
(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;	No
(b) disclose that policy or a summary of it; and	No
(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:	No
(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	
(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.	
1.6 A listed entity should:	
(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and	Yes
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes
1.7 A listed entity should:	
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes

## CORPORATE GOVERNANCE STATEMENT

Recommendation	Comply Yes/No
<b>Principle 2 - Structure the board to add value</b>	
2.1 The board of a listed entity should:	
(a) have a nomination committee which:	
(1) has at least three members, a majority of whom are independent directors; and	No
(2) is chaired by an independent director, and disclose:	No
(3) the charter of the committee;	No
(4) the members of the committee; and	No
(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	No
(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.	Yes
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.	No
2.3 A listed entity should disclose:	
(a) the names of the directors considered by the board to be independent directors;	Yes
(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	Yes
(c) the length of service of each director.	Yes
2.4 A majority of the board of a listed entity should be independent directors.	Yes
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.	Yes
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.	Yes
<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	Yes
(b) disclose that code or a summary of it.	Yes
<b>Principle 4 - Safeguard integrity in corporate reporting</b>	
4.1 The board of a listed entity should:	
(a) have an audit committee which:	
(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	No
(2) is chaired by an independent director, who is not the chair of the board, and disclose:	No
(3) the charter of the committee;	Yes
(4) the relevant qualifications & experience of the members of the committee; and	Yes
(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	Yes
(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.	n/a

## CORPORATE GOVERNANCE STATEMENT

Recommendation	Comply Yes/No
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.	Yes
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.	Yes
<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	Yes
(b) disclose that policy or a summary of it.	Yes
<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.	Yes
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
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.	Yes
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.	Yes
<b>Principle 7 - Recognise and manage risk</b>	
7.1 The board of a listed entity should:	
(a) have a committee or committees to oversee risk, each of which:	
(1) has at least three members, a majority of whom are independent directors; and	No
(2) is chaired by an independent director, and disclose:	Yes
(3) the charter of the committee;	Yes
(4) the members of the committee; and	Yes
(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	Yes
(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.	n/a
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	Yes
(b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes
7.3 A listed entity should disclose:	
(a) if it has an internal audit function, how the function is structured and what role it performs; or	n/a
(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.	Yes
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.	Yes

## CORPORATE GOVERNANCE STATEMENT

Recommendation	Comply Yes/No
<b>Principle 8 - Remunerate fairly and responsibly</b>	
8.1 The board of a listed entity should:	
(a) have a remuneration committee which:	
(1) has at least three members, a majority of whom are independent directors; and	No
(2) is chaired by an independent director, and disclose:	No
(3) the charter of the committee;	No
(4) the members of the committee; and	No
(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	No
(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.	Yes
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.	Yes
8.3 A listed entity which has an equity-based remuneration scheme should:	
(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	Yes
(b) disclose that policy or a summary of it.	Yes

Copies of all of the Company's Corporate Governance policies are available on the Company's website: <http://www.emmersonresources.com.au/governance>

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

#### *1.1 Roles and responsibilities of the board and management:*

The board is ultimately responsible for all matters relating to the running of the Company, however the board's role is to govern the Company rather than manage it. The operation and day to day management of the Company is delegated by the board to the Managing Director and Chief Executive Officer and the executive management team.

A copy of the Company's board Charter is available on the Company's web site and contained within this charter is a statement of matters reserved for the board. The Company also has a Delegation of Authority policy which further details matters that specifically require the approval of the board and those matters reserved for management.

Whilst at all times the board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist sub-committees are able to focus on a particular responsibility and provide informed feedback to the board. To this end the board has established an Audit and Risk Management Committee. The role and responsibilities of this committee is discussed in Principle 4 of this Corporate Governance Statement.

#### *1.2 Appointing new board members:*

In appointing new members to the board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The board will as much as is practical comprise of directors with a mix of qualifications, experience and expertise which will assist the board in fulfilling its responsibilities. Prior to the appointment of a person, or putting forward to shareholders a candidate for election, as a director, the Company undertakes checks to verify a director's character, qualifications, skills and experience. The Company will ensure that all material information in its possession relevant to a shareholders decision to elect or re-elect a director is provided to shareholders.

## CORPORATE GOVERNANCE STATEMENT

### *1.3 Terms of appointment:*

The terms of appointment for directors and executives in accordance with their written agreements is set out in the Remuneration Report contained within the Directors' Report of this Annual Report and is audited by the Company's external auditors.

### *1.4 Company secretary:*

The company secretary is accountable to the board, through the Chairman, on all matters to do with the proper functioning of the board.

### *1.5 Diversity:*

The Company has adopted an equal opportunity and anti-discrimination policy whereby to the extent possible permitted by the laws of the jurisdictions in which we operate, Emmerson is committed to providing diversity of employment opportunities for, but not limited to, gender, age, ethnicity and cultural background for all Company roles and to providing a workplace where differences are respected and accepted and anti-discriminatory behaviour of any kind is strictly prohibited.

The Company has not set measurable objectives for achieving gender diversity as the board does not believe that any benefit would be obtained due to the relatively small staff level at present. The Company relies on the requirement of "most suitable person for roles" as the overarching selection criteria for personnel.

While not setting measurable objectives for achieving gender diversity, the consolidated entity:

- Does not discriminate for or against the appointment of women to roles at any level.
- Does not discriminate in terms of making training and career development opportunities available to all employees, irrespective of gender.
- Does not discriminate on the basis of gender in setting salary levels. Salaries are set on the basis of the level of responsibility of the position, technical skills and qualifications required to perform the role and have no bearing on the employee's gender.
- Does to the extent practically possible, taking into account the nature of work performed by employees, provide flexible work arrangements.

As at the balance date, 33% of employees of the Company were women. There are currently no women serving on the Company's board.

### *1.6 Board performance evaluation:*

Due to the size of the board and the nature of its business, it has not been deemed necessary to institute a formal documented performance evaluation program of the board, its committees and individual board members. During the reporting period the Chairman conducted the Company's annual informal evaluation process whereby he discusses with individual directors their attitude, performance and approach to a variety of key performance areas including:

- Attendance at scheduled board and committee meetings.
- Behavior and contribution at meetings.
- Interaction with peers.
- Engagement with management.
- Timeliness of attending to tasks.

As the Company's activities expand in size, nature and scope, the implementation of a more formalised board performance review process will be given further consideration.

### *1.7 Senior executive performance evaluation:*

The board ensures that the executive management team is appropriately qualified and experienced to discharge their responsibilities and the board has in place procedures to assess the performance of the Managing Director and Chief Executive Officer and all other members of the executive; specifically the board provides regular feedback to executive management on their performance during the year and conducts a formal annual review of the performance of the Chief Executive Officer. During the year the board conducted a formal review of the performance of the Chief Executive Officer against Key Performance Indicators and Critical Tasks and the Chief Executive Officer conducted a similar review of the executive management team.

## CORPORATE GOVERNANCE STATEMENT

### PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

#### *2.1 Nomination Committee:*

Given the size of the board and the Company a nomination committee has not been formed as it is the view of the board that the functions and responsibilities that would normally be the dealt with by this committee can be adequately addressed by the board in its entirety as specific agenda items at scheduled board meetings including when necessary, selecting candidates for the position of director. When the board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

When a vacancy occurs, for whatever reason, or where it is considered that the board would benefit from the services of a new director with particular skills, the board will select appropriate candidates with relevant qualifications, skills and experience. When deemed appropriate the board engages independent consultants to assist in such a process. The board will then appoint the most suitable candidate who must stand for election at the next general meeting of shareholders.

Retirement and rotation of directors are governed by the Corporations Act 2001 and the constitution of the Company. Each year one third of the directors (excluding the CEO) must retire and may offer themselves for re- election.

#### *2.2 Skills:*

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors Report of this Annual Report. As the composition of the board currently comprises a variety of skills and experience across the financial, commercial, exploration and resource industries it has not been deemed necessary to create a formal document outlining the particular skills matrix of the existing board. The board reviews its composition on an annual basis to ensure that it has an appropriate mix of expertise and experience.

#### *2.3 and 2.4 Independence of directors and length of service:*

An independent director is a non-executive director who is not a member of management and who is free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgment. Based on this definition the majority of the board's directors (2 out of 3) are considered independent. The independent directors of the board are Andrew McIlwain who is the independent Chair of the board and Allan Trench who is a non-executive director. Rob Bills is not considered to be an independent director due to his role as Managing Director and Chief Executive Officer of the Company.

The term of office held by each director in office at the date of this report is as follows:

Andrew McIlwain	12 years and 5 months
Allan Trench	4 year and 6 months
Rob Bills	12 years

#### *2.5 Chairman and CEO:*

The chairman is responsible for leading the board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the board's relationship with the Company's senior executives. The Managing Director and Chief Executive Officer is responsible for implementing strategies and policies. The Chairman of the board, Andrew McIlwain is an independent director and the board charter specifies that the Chairman cannot be the Chief Executive Officer of the Company.

#### *2.6 Director induction and continuing education:*

The letter of appointment for all new directors sets out their duties, rights and responsibilities and new directors are provided with an induction programme with information that will enable them to carry out their duties in the best interests of the Company including briefings by management and a site visit.

The board encourages directors to attend industry seminars and training courses by various professional bodies to ensure that they are refreshed and equipped to perform their role in the highest standards and performance possible.

## CORPORATE GOVERNANCE STATEMENT

### PRINCIPLE 3 - ACT ETHICALLY AND RESPONSIBLY

#### 3.1 Code of conduct:

The Company has established a code of conduct in accordance with Australian Standard 8002-2003 'Organisational Code of Conduct'. The code provides a framework for decisions and actions in relation to ethical conduct, fair dealing and a duty of care for those engaged by the Company. The code applies to all directors, officers and employees of the Company and all consultants and contractors are made aware of the expectations contained within the code. The code of conduct policy is available on the Company's website.

### PRINCIPLE 4 - SAFEGUARD INTEGRITY IN CORPORATE REPORTING

#### 4.1 Committee:

The board has established an Audit and Risk Management Committee which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists and that proper oversight of material business risks exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the integrity of exploration data and information, the processes for the identification and management of business risks and the benchmarking of operational key performance indicators. The board has delegated responsibility for establishing and maintaining a framework of internal control, ethical standards and risk management to the Audit and Risk Management Committee. A copy of the Audit and Risk Management Committee charter is available on the Company's web site and contains details of the procedure for the selection and appointment of the external auditor. Ernst and Young were appointed as the external auditors in 2008 and it is Ernst and Young policy to rotate audit engagement partners on listed companies at least every five years.

Details of the qualifications and expertise of members of the Audit and Risk Management Committee is included in the Director's Report of this Annual Report. All members of the committee are financially literate and have an appropriate understanding of the mining and exploration industry. The members of the committee and meetings held during the year were:

Name		Meetings held	Meetings attended
Andrew McIlwain	Non-executive	2	2
Allan Trench	Non-executive	2	2

The committee currently comprises only two members and having regard to the size of the consolidated entity and the present composition of the board, the board is satisfied that the size of the committee is not detrimental to the discharge of its functions and responsibilities.

The Audit and Risk Management Committee is chaired by Andrew McIlwain who is also chair of the board. Having regard to the size of the consolidated entity and the present composition of the board, the board is satisfied that although Mr McIlwain is also chair of the board that this is not inhibiting the effectiveness of the committee in the discharge of its functions and responsibilities and that Mr McIlwain possesses the necessary skills and experience required chairing this committee.

#### 4.2 CEO and CFO declaration:

The CEO and CFO provide a declaration to the board prior to approval of the annual and half-yearly financial statements 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.

#### 4.3 External auditor meeting attendance:

The Company's external auditor, Ernst and Young, attend the committee meetings at least twice a year, attends its AGM and is available to answer questions from security holders relevant to the audit.

## **CORPORATE GOVERNANCE STATEMENT**

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

The Company has policies and procedures and accountability for compliance on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. Such policies and procedures include mechanisms for ensuring relevant matters are communicated and that the information is released in a timely and balanced manner.

A copy of the written policy on timely and balanced continuous disclosure is available on the Company's web site.

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

The Company provides information about itself and its governance via its website including:

- Names, photographs and biographical information of directors and senior executives;
- Corporate governance policies;
- Quarterly, half-yearly and annual reports;
- ASX releases;
- An overview of exploration projects; and
- Share price information.

The board has adopted a shareholder communications strategy which aims to ensure that all shareholders are informed about all material developments in the management and operation of the Company and its business, in a manner which is timely and readily accessible to all shareholders.

Relevant information is communicated to shareholders via a number of methods including:

- The Annual Report containing annual information about the Company's general and financial performance together with information on the future prospects for the Company.
- Notices of meetings and explanatory material.
- The Annual General Meeting where shareholders will receive information about the activities in the past year, the proposed activities in the forthcoming year, notification of any significant issues, and have an opportunity to ask questions of the board.
- All stock exchange announcements and financial reports are posted to the Company's website as soon as possible after they have been disclosed to the ASX.
- Periodical newsletters.
- Media and investor enquiry contact details are disclosed on ASX releases.

Shareholders are encouraged to attend and participate in meetings of the Company. The external auditors attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Company's registrar, Advanced Share Registry Services Limited, provides the option for shareholders to receive and send communications electronically. In addition, the Company maintains an electronic mailing list to send communications to shareholders. Shareholders and interested investors are also encouraged to subscribe to the Company's email updates whereby they are made aware of news releases as soon as possible after such releases have been issued to the ASX. Hard copies of financial reports and news releases are made available on request. The Company's website contains a "Contact" tab enabling messages to be submitted.

The shareholder communications strategy policy is available on the Company's web site.

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

#### *7.1 Committee:*

The board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The board has established an Audit and Risk Management Committee (refer to Principal 4 above) which operates under a charter approved by the board to aid it in the discharge of this responsibility.

## CORPORATE GOVERNANCE STATEMENT

The members of the Audit and Risk Management Committee and meetings held during the year are set out in Principal 4 above.

The committee is chaired by an independent director, however as disclosed in Principal 4 above the committee currently comprises only two members. Having regard to the size of the consolidated entity and the present composition of the board, the board is satisfied that the size of the committee is not detrimental to the discharge of its functions and responsibilities.

The Company's process of risk management and internal compliance and control includes:

- establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- continuously identifying and measuring risks that might impact upon the achievement of the Company's goals and objective, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage and identify risks and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of and continuously improving the effectiveness of risk management systems and internal compliance and controls, including an annual assessment of the effectiveness of risk management and internal compliance and control.

Comprehensive practices are in place that is directed towards achieving the following objectives:

- effective and efficient use of Company resources;
- compliance with all applicable laws and regulations; and
- preparation of reliable published financial and geological information.

A copy of the Audit and Risk Management Committee charter is available on the Company's web site.

### *7.2 Annual review:*

The board (via the Audit and Risk Management Committee) oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the committee to assess risk management and associated internal compliance and control procedures and report back on its efficiency and effectiveness.

The Audit and Risk Management Committee has received a report from management on the risk management and internal control systems of the Company, including an opinion as to whether the Company's material business risks are being managed effectively.

The CFO and CEO have provided a written statement to the board that:

- their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board; and
- that the Company's risk management and internal compliance and control system is operating effectively in all material respects.

### *7.3 Internal audit:*

The Company does not have a formal internal audit function.

Procedures for evaluating and continually improving the effectiveness of risk management and internal control processes include:

- Audit and Risk Management Committee assessments, reviews and reporting;
- Monthly management reporting of financial position, financial performance, cash flow forecasts and key performance indicators;
- Periodical internal review of financial systems and processes undertaken by CFO and where systems are considered to require improvement these systems are developed; and
- External audit reviews.

## CORPORATE GOVERNANCE STATEMENT

### *7.4 Economic, environmental and social sustainability risks:*

The Company undertakes mineral exploration activities and as such faces inherent risks to its business, including economic, environmental and social sustainability risks which may materially impact the Company's ability to create or preserve value for shareholders over the short, medium or long term. The board is regularly briefed by management as well as keeping itself abreast of possible material exposure to risks that the Company may face.

Of core importance to the Company is safety, which it considers a priority not only in respect to its employees and contractors but also to the community and environment in which it operates. The Company believes that if these matters are priorities then they will act as drivers for value to shareholders.

The Company has suitable risk management processes incorporated into all aspects of business planning, operations management and employee relations to help manage these risks including:

- risk management education and training for staff;
- a culture of transparency for identifying and addressing risks;
- structured discussions on risk control and improvements within the Company's operations;
- formal reporting to the board of material business risks;
- the establishment and maintenance of physical controls such as security systems and fire protection measure; and
- legal review of contractual arrangements which include standard indemnities, insurances etc.

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

### *8.1 Remuneration committee:*

Given the size of the board and the Company a remuneration committee has not been formed as it is the view of the board that the functions and responsibilities that would normally be the dealt with by this committee can be adequately addressed by the full board as specific agenda items at scheduled board meetings. When deemed appropriate the board engages independent consultants to assist it in fulfilling such functions.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high-quality board and executive team and the remuneration of directors and key executives fairly and appropriately with reference to prevailing employment market conditions is a key component of attaining this objective.

The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Managing Director and Chief Executive Officer and the executive team.

### *8.2 Remuneration policies and practices:*

Details of the non-executive directors, executive directors and other senior executives remuneration are set out in the Remuneration Report contained within the Directors' Report of this Annual Report and is audited by the Company's external auditors.

The remuneration of non-executive directors consists of directors' fees (fixed remuneration) and non-executive directors do not receive retirement benefits.

### *8.3 Equity-based remuneration schemes:*

The Company operates an Incentive Option Scheme and a Performance Rights Plan. Directors and employees are prohibited from short-term trading of the Company's securities and prohibited from entering into any hedging arrangements over unvested options or unvested rights under the Incentive Option Scheme and the Performance Rights Plan.

Directors and employees are required to notify the Company of the key terms of arrangements pertaining to any financing of securities of the Company which they have an interest in where it is reasonable to expect that the terms and conditions of such financing may result in the unilateral selling of the securities.

Directors and Executives require approval prior to trading in the Company's securities.