

Company Announcements Office  
Australian Securities Exchange  
4th Floor, 20 Bridge Street  
SYDNEY NSW 2000

**ASX Code** GOR

**ABN** 13 109 289 527

**COMPANY DIRECTORS**

Ian Murray  
**Executive Chairman**

Justin Osborne  
**Executive Director**

Russell Davis  
**Non-Executive Director**

Tim Netscher  
**Non-Executive Director**

Martin Pyle  
**Non-Executive Director**

Kevin Hart  
**Company Secretary**

**Appendix 4G and Corporate Governance Statement**

Please find attached Gold Road Resources Limited's Appendix 4G and Corporate Governance Statement for the 2015 Financial Year. The documents can be found on our website at:

[http://www.goldroad.com.au/documents/CORPGOVstatement2015\\_000.pdf](http://www.goldroad.com.au/documents/CORPGOVstatement2015_000.pdf)

**CONTACT DETAILS**

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## Appendix 4G

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

Name of entity:

GOLD ROAD RESOURCES LIMITED

ABN / ARBN:

13 109 289 527

Financial year ended:

30 June 2015

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.goldroad.com.au/documents/CorporateGovernanceStatement\\_000.pdf](http://www.goldroad.com.au/documents/CorporateGovernanceStatement_000.pdf)

The Corporate Governance Statement is accurate and up to date as at 29<sup>th</sup> September 2015 and has been approved by the board.

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

Date: 30 September 2015

Name of Company Secretary authorising  
lodgement: Kevin Hart

<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 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
1.2	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 checked="" 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 checked="" type="checkbox"/> at <a href="http://www.goldroad.com.au/documents/CorporateGovernanceStatement">http://www.goldroad.com.au/documents/CorporateGovernanceStatement</a></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 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 paragraphs (c)(1) or (2):</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>
1.6	<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>
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 <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 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>
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 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>
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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" 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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" 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>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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 checked="" 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 <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 checked="" type="checkbox"/> in our Corporate Governance Statement <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>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.goldroad.com.au/corp_gov.php">http://www.goldroad.com.au/corp_gov.php</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>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>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>OR</b> <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 checked="" 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):] ... 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):] ... 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 checked="" 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>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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 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>
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>NOT APPLICABLE</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>NOT APPLICABLE</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Dated: 30 June 2015

Approved by the Board on 29 September 2015

## CORPORATE GOVERNANCE STATEMENT

The Directors of Gold Road Resources Limited (**Gold Road** or the **Company**) support the establishment and on-going development of good corporate governance for the Company.

Gold Road has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity with the intent of providing a strong framework and practical means for ensuring good governance outcomes which meet the expectations of stakeholders.

The framework for Corporate Governance follows the 3<sup>rd</sup> Edition of the principles set out by the ASX Corporate Governance Council. The Directors have implemented policies and practices that are considered appropriate for the Company given its current size and complexity. Where the Board considers the Company is not of sufficient size or complexity to warrant adoption of all the recommendations set out in the ASX Corporate Governance Council's published guidelines or where the recommendation was not adopted for the entire year, these instances have been highlighted.

Further information about the Company's corporate governance practices and the Company's Corporate Governance Statement is set out on the Company's website at [www.goldroad.com.au](http://www.goldroad.com.au) together with the ASX Appendix 4G, a checklist cross referencing the ASX Principles and Recommendations to disclosures in this statement.

The Board will continue to review and amend its governance policies as appropriate to reflect changes in the Company's growth, operational status, legislation and accepted good practice.

## **CORPORATE GOVERNANCE COUNCIL PRINCIPLE 1**

### ***Lay Solid Foundations for Management and Oversight***

#### **Role of the Board of Directors**

The role of the Board is to build long-term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company, including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Senior Executives. The Board relies on Senior Executives to assist in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems, and monitoring and approving financial and other reporting.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and Senior Executives and assists in decision making processes. A copy of the Board Charter and the responsibilities of Senior Executives and management are available on the Company's website.

#### **Board Processes**

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Executive Chairman and the Company Secretary.

#### **Retirement, Re-election and Appointment of New Directors**

The constitution of the Company notes that Directors cannot hold office for a period longer than three years without submitting themselves for re-election at the next AGM, one third of the Directors must retire by rotation at each AGM together with any new Directors appointed by the Board during the period since the last general meeting. Retiring Directors are eligible to stand for re-election.

If the Board decides to appoint a new member either to complement the existing members or fill a vacancy, through the Nomination Committee it will undertake a process of identifying a wide base of potential candidates with appropriate skills and with consideration to meeting the objectives of its Diversity Policy. The Company ensures that all appointments to the Board are appropriately reference checked. The Company in its Notice of Meeting also ensures that all relevant information is provided to security holders for the purpose of deciding on whether or not to elect or re-elect Directors.

The Company does not have a formal induction process, however, new Directors appointed to the Board are provided with written material incorporating an overview of Director's duties for public companies together with a detailed appointment letter outlining the Company's expectations and setting out the requirements of the role as well as identifying director interests and potential conflicts.

The Company has complied with Recommendation 1.3 of the Corporate Governance Council in that each Director and Senior Executive have written agreements setting out the terms of their appointment.

#### **Role of the Company Secretary**

The Company has complied with Recommendation 1.4 of the Corporate Governance Council. The Company Secretary is appointed by and accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary acts on all Committees of the Board. Each Director is able to communicate directly with the Company Secretary on all matters relating to the functioning of the Board.

#### **Diversity Policy**

The Board has implemented a Diversity Policy in line with recommendation 1.5 of the Corporate Governance Council. The Company believes that the promotion of diversity on its Board, in senior management and within the organisation generally is good practice and adds to the strength of the Company.

The policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention and including different perspectives, as well as being socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporation Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2015:

	Number of females	Total number of persons employed
Females employed in the Company as a whole	12	35
Females employed in the Company in senior positions	2	6
Females appointed as a Director of the Company	Nil	5

The recommendations of the Corporate Governance Council relating to reporting requires a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit-based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and on-going review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

***Gender Diversity***

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

**Evaluation of Board Performance**

The Company has a formal process for the evaluation of the performance of the Board and as such, does comply with Recommendation 1.6 of the Corporate Governance Council. The Board undertakes an annual formal review of its performance. The process includes the completion of individual questionnaires focussed on Board processes, effectiveness and structure as well as the effectiveness and contribution made by each Director. The responses are collated and discussed with a view to considering recommendations for improvement.

**Evaluation of Senior Executive Performance**

The Company has complied with Recommendation 1.7 of the Corporate Governance Council. The Executive Chairman currently conducts annual performance appraisal meetings with Senior Executives incorporating a formal appraisal form and review of each individual's performance and contribution during the year. The Executive Chairman's performance is assessed by the independent Non-executive Directors through the Remuneration Committee.



## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 2

### *Structure the Board to Add Value*

#### **Nomination Committee**

The Company has during the second half of the 2015 financial year established a separately constituted Nomination Committee. The selection and appointment process for new Directors is carried out by the Nomination Committee, with reference to the full Board for the final appointment. Prior to the establishment of the Nomination Committee the selection and appointment process for Directors was carried out by the full board.

The Nomination Committee is comprised of three Non-executive Directors and is chaired by an Independent Director who is not the Chairman of the Board. The majority of members of the Nomination Committee are independent and the Company therefore complies with Recommendation 2.1 of the Corporate Governance Council at year end.

The members of the Nomination Committee are Tim Netscher (Chairman), Russell Davis and Martin Pyle. The relevant qualifications and details of attendance at Nomination Committee meetings are set out in the Directors' Report and below.

During the financial year ended 30 June 2015 the Nomination Committee held one meeting at which all committee members attended.

A copy of the Nomination Committee Charter and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website.

#### **Skills and Experience**

During the year the Board undertook a formal assessment of its composition and developed a skills matrix. The review identified key skills for the Company in its present stage. Skill sets currently on the Company's Board include technical, financial, managerial, corporate, and commercial.

Key skill sets for the Board identified from the formal assessment included:

- mining and exploration geology
- accounting, treasury and corporate finance
- gold industry knowledge
- business strategy and planning
- risk management
- mergers and acquisitions
- project studies and construction

Board qualifications and length of service are summarised in the table below:

<b>Name</b>	<b>Qualifications</b>	<b>Length of service</b>
Mr Ian Murray - Chairman	B Com, ACA, CA(SA)	7 years and 8 months
Mr Justin Osborne – Executive	BSc (Hons), FAusIMM	6 months
Mr Russell Davis – Non-executive*	BSc(Hons), MBA, MAusIMM, FFIN	10 years and 1 month
Mr Martin Pyle – Non-executive*	BSc(Hons), MBA	5 years
Mr Tim Netscher – Non-executive*	BSc(Eng) (Chemical), B Com, MBA, CEng, FICHEM, MAICD	10 months

\*Independent

At this stage of the Company's development the Board believes that there is an appropriate mix of skills, experience and expertise on the Board. As the Company progresses its development options for the Yamarna Gold Project the Board believes that additional expertise will be required and at that time further consideration will be given to ensuring the Board has an appropriate mix of skills and diversity.

**Board Composition**

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event, one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board, from 1 July 2014 until 1 September 2014, was comprised of four members, two Non-executive Directors and two Executive Directors and as such there was not a majority of independent directors during this period. The Independent Non-executive Directors during that period were Mr Russell Davis and Mr Martin Pyle. On 1 September 2014 Mr Timothy Netscher was appointed to the Board as an independent Non-executive Director. As such, from 1 September 2014 the Board had a majority of independent directors and complied with recommendation 2.4 of the Corporate Governance Council from that time. The Board has assessed the independence of the Directors in accordance with the definition contained within the ASX Corporate Governance Guidelines.

**Roles of Chairman and Chief Executive Officer**

The Chairman is an Executive of the Company and is therefore not an independent Chairman. The roles of Chairman and Chief Executive Officer are exercised by Mr Ian Murray. As such Recommendation 2.5 of the Corporate Governance Council has not been complied with. The Board however believes that given the current size of the Company Mr Murray has the capacity to fulfil both these roles at the present time and is the most appropriate person for the position because of his industry experience and proven track record as a public company Director.

**Education**

The Company encourages Directors to maintain their knowledge of the specific matters relating to the Company including: the nature of the business, current issues and the corporate strategy. Directors are given access to and encouraged to participate in continuing professional education opportunities to update and enhance their relevant skills and knowledge.

**Independent Professional Advice and Access to Information**

Each Director has the right to access all relevant information in respect to the Company and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice on matters relating to him as a Director of the Company at the Company's expense, subject to prior approval of the Chairman which shall not be unreasonably withheld.

## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 3

### *Act Ethically and Responsibly*

#### **Code of Conduct**

The Board believes in and supports ethical and responsible decision making. It is expected that all Directors, managers and employees observe the highest standards of integrity, objectivity and business ethics in conducting its business, striving at all times to enhance the reputation and performance of the Company in respect of legal and other obligations to all legitimate stakeholders.

Accordingly, the Board acknowledges the rights of stakeholders and has adopted a Code of Conduct.

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in the following areas:

- Responsibility to shareholders;
- Integrity and honesty;
- Respect for laws;
- Conflicts of interests;
- Protection of assets;
- Confidential information;
- Employment practices;
- Respect for the community;
- Respect for individuals;
- Fair trading and dealing;
- Compliance with Code of Conduct; and
- Periodic review of the Code.

A copy of the Company's Code of Conduct is available on the Company's website.

#### **Security Trading Policy**

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a policy on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. Further, in keeping with Listing Rule Amendments, additional restrictions are placed on trading by relevant persons including Directors, key management personnel and employees. The policy also provides that notification of intended trading should be given to the Chairman prior to trading. A copy of the Policy for dealing in Company Securities is available on the Company's website.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Company's securities.

## **CORPORATE GOVERNANCE COUNCIL PRINCIPLE 4**

### ***Safeguarding Integrity in Corporate Reporting***

#### **Audit Committee**

The Company has during the second half of the 2015 financial year established a separately constituted Audit Committee. Prior to the establishment of the Audit Committee the function of the Audit Committee was carried out by the full Board.

The Audit Committee is comprised of three Non-executive Directors and is chaired by an Independent Director who is not the Chairman of the Board. The members of the Audit Committee are Russell Davis (Chairman), Tim Netscher and Martin Pyle. The majority of members of the Audit Committee are independent and the Company therefore complies with Recommendation 4.1 of the Corporate Governance Council.

During the financial year ended 30 June 2015 the Audit Committee held one meeting at which all committee members attended. The relevant qualifications and experience of the committee members can be found in their biographical information in the Directors Report and above.

The responsibilities of the Audit Committee include the appointment, compensation and oversight of the independent auditor and the review of the published financial reports.

#### **Financial Reporting**

The Board relies on Senior Executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Executive Chairman, Financial Controller and Company Secretary who report to the Board at the scheduled Board meetings.

The Board requires the Executive Chairman and the Company Secretary provide a written statement that the financial statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporations Act. The Board also requires that the Executive Chairman and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 4.2 of the Corporate Governance Council.

#### **External Auditors**

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. Auditor rotation is required by the Corporations Act 2001. The external auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report in accordance with Recommendation 4.3 of the Corporate Governance Council.

## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 5

### *Make Timely and Balanced Disclosure*

#### **Timely and Balanced Disclosure**

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the ASX Listing Rules.

The Company has adopted formal written policies and procedures, designed to ensure compliance with the ASX Listing Rule requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council. A copy of the Continuous Disclosure Policy is available on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an on-going basis. The Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules, the Company Secretary is appointed as the Company's disclosure officer.

## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 6

### *Respect the Rights of Security Holders*

#### **Communications**

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy, and so complies with Recommendations 6.1 – 6.4 of the Corporate Governance Council.

A copy of the Shareholder Communications Policy is available on the Company's website.

In addition to electronic communication via the ASX web site, the Company publishes all ASX releases including Annual and Half-Yearly financial statements on the Company's website at [www.goldroad.com.au](http://www.goldroad.com.au).

Contact details for the Company's share registry are made available for security holders.

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who is required to attend the Company's Annual General Meeting for that purpose.

## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 7

### *Recognise and Manage Risk*

#### **Risk Management Policy**

The Board does not have a separate committee to oversee risk. Risk is managed at the Board level with all members involved in the process. The Company, as such, is not currently compliant with Recommendation 7.1 of the Corporate Governance Council.

The Board delegates day-to-day management of risk to the Executive Chairman, Company Secretary and Senior Executives who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed. A copy of the Company's Risk Management Policy is available on the Company's website.

The Company maintains a risk register, which sets out the major risks identified for the various activities undertaken by the Company and includes an assessment of the risk and mitigation of the risk which has been reviewed by the Board during the reporting period. Moving forward risk consideration will become a standing Board agenda item.

#### **Risk Management and the Internal Control System**

The Executive Chairman and Company Secretary, with the assistance of Senior Executives, as required, have responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an on-going basis as follows:

- **Business risk management**  
The Company manages its activities within budgets and operational and strategic plans.
- **Internal controls**  
The Company has implemented internal control processes typical for the Company's size and stage of development. It requires the Senior Executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.
- **Financial reporting**  
Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.
- **Operations review**  
Members of the Board regularly visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations. An operational risk assessment system is in place at the Company's Yamarna Gold Project which is continually being reviewed and updated.
- **Environment and safety**  
The Board has adopted an Occupational Health and Safety Policy and Environmental Policy through which all employees and contractors are inducted.  
  
The Company is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. Significant resources have been focussed on establishing and maintaining a culture of best practice through the implementation of an Occupational Health and Safety Plan and an Environmental Management Plan.

The Company's risk management strategy is evolving and will be an on-going process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities. The Company has appointed KPMG to assist with the development of the Company's risk management strategy as the Company moves the Gruyere Gold Project through the various stages of feasibility study and ultimately into construction, commissioning and operation.

#### **Risk Reporting**

As the Board has responsibility for the monitoring of risk management, it has not during the reporting period required a formal report regarding the material risks and whether those risks are managed effectively. The Board has considered the Company's risk management framework during the reporting period and believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not currently of sufficient complexity to justify the implementation of more formal systems for identifying, assessing, monitoring and managing risk in the Company.

As the Company grows, the Board will continuously improve and formalise the Company's risk management and internal control systems going forward.

#### **Internal Audit**

The Company does not believe that it is of a size that warrants an internal audit function. The Company has a sound system of internal controls for a Company of its size which is monitored by Senior Executives and the Board.

#### **Economic, Environmental and Social Sustainability Risks**

The Company is focused on the discovery and exploitation of gold deposits with its operation focussed in the Yamarna Greenstone Belt, approximately 1,200 kilometres northeast of Perth, Western Australia. As a result there is potential for material exposure to economic, environmental and social sustainability risks working in this diverse physical environment.

The Company is aware of the potential for risk in this area and is committed to ensuring that sound environmental management and occupational health and safety practices are carried out in its exploration activities. In addition, sound environmental management and occupational health and safety practices are being incorporated into the various project study stages currently underway.

Significant resources have been focussed on establishing and maintaining a culture of best practice. The Company is committed to environmental sustainability, recognising the Company's obligations to practice good environmental "stewardship" of the tenements on which it operates.

The Company's exploration activities are conducted in a manner that endeavours to minimise our environmental "footprint" as far as practically possible, and are conducted in accordance with all necessary permits and approvals from regulators and traditional owners.

## CORPORATE GOVERNANCE COUNCIL PRINCIPLE 8

### ***Remunerate Fairly and Responsibly***

The Company's remuneration policy is to ensure that the remuneration package properly reflects the relevant individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality and is aligned with delivering sustainable shareholder value.

Disclosure of the details of the nature and amount of each element of Directors', including Non-executive Directors, and Executive's remuneration is included in the Remuneration Report forming part of the Directors Report in the Financial Statements.

### **Remuneration Committee**

During the second half of the 2015 financial year a Remuneration Committee was established to assist the Board by making recommendations on remuneration packages for Executive and Non-Executive Directors, and where appropriate, senior managers. In addition, the Remuneration Committee reviews proposed long and short term incentive plans including the appropriate use of performance based hurdles. Prior to the establishment of the Remuneration Committee the full Board was responsible for setting remuneration, performance criteria, equity incentive scheme and retirement and termination benefits.

The Remuneration Committee consists of three Non-executive Directors being Martin Pyle (Chairman), Tim Netscher; and Russell Davis. The Remuneration Committee is chaired by an Independent Director who is not the Chairman of the Board, and the majority of members are independent and accordingly complies with Recommendation 8.1 of the Corporate Governance Council.

The Remuneration Committee operates under a Remuneration Committee Charter which complies with Recommendation 8.1 of the Corporate Governance Council. The Charter clearly sets out the role and responsibilities of the Remuneration Committee and the charter terms provide the Remuneration Committee with the ability to access internal and external resources as appropriate. The Charter is available on the Company's website.

The Remuneration Committee ensures that no Director participates in deliberations regarding their own remuneration or related issues.

During the financial year ended 30 June 2015 the Remuneration Committee held one meeting at which all committee members attended.

### **Distinguish Between Executive and Non-executive Remuneration**

The Company does distinguish between the remuneration policies and practices of its Executive and Non-executive Directors in accordance with Recommendation 8.2 of the Corporate Governance Council.

Executive Directors receive salary packages which may include performance based components, designed to reward and motivate and to be aligned with delivering sustainable shareholder value, including the granting of Options and Performance Share Rights, subject to shareholder approval and with vesting conditions relating to continuity of engagement.

Non-executive Directors receive fees agreed on an annual basis by the Board, within total Non-executive remuneration limits voted upon by shareholders at Annual General Meetings. Share options issued to Non-executive Directors are subject to shareholder approval. The periodic grant of the options to Non-executive Directors is considered appropriate by the Board for the Company's current stage of development to cost-effectively retain high quality and well-credentialed Non-executive Directors while preserving the Company's cash resources for development activities.

The Board ensures that all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participate in any deliberations regarding their own remuneration or related issues. To the extent that additional executives are appointed in the future and the scope of the Company's activities expands, the Company will reconsider whether a change in the structure of executive remuneration is appropriate.



For details on the amount of remuneration and all monetary and non-monetary components for all Directors and Key Management Personnel refer to the Remuneration Report in the Directors' Report included in the financial statements.

**Security trading policy**

The Company's security trading policy does not specifically preclude participants from entering into transactions which limit the economic risk of participating in equity based schemes. As such the Company is not compliant with Recommendation 8.3 of the Corporate Governance Council. It is noted that the Corporations Act prohibits Key Management Personnel of an ASX listed company from entering into arrangements that have the effect of limiting their exposure to risk relating to an element of their remuneration that is unvested.