

Our Reference: 00094579-001

23 October 2015

Company Announcements Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Sirs

Appendix 4G and Corporate Governance Statement

Attached please find the MZI Resources Ltd (the Company) Appendix 4G together with the Company's Corporate Governance Statement.

The abovementioned documents will be available on the Company's website
www.mzi.com.au.

Yours sincerely



John Traicos
Company Secretary

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MZI Resources Ltd

ABN / ARBN:

52 077 221 722

Financial year ended:

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

☐

These pages of our annual report:

☒

This URL on our website:

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

The Corporate Governance Statement is accurate and up to date as at 30 June 2015 and has been approved by the board.

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

Date:

23 October 2015

Name of Secretary authorising lodgement:

John Traicos

¹ 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.

² "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.

³ 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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... 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): ☒ at this location: http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Notice of Annual General Meeting http://www.mzi.com.au/investor-relations/asx-announcements 2015 Annual Report – Directors' Report http://www.mzi.com.au/investor-relations/reports	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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 ... ⁴
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; (b) disclose that policy or a summary of it; and (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: (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and a copy of our diversity policy or a summary of it: ☐ at this location: ... 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: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Nomination Committee Terms of Reference http://www.mzi.com.au/about-us/corporate-governance Performance Evaluation Practices http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
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 (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a 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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>QR</u> ☐ at this location: ... and a copy of the charter of the committee: ☒ at this location: Nomination Committee Terms of Reference http://www.mzi.com.au/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>QR</u> ☒ at this location: 2015 Annual Report – Directors' Report / Directors' Meetings http://www.mzi.com.au/investor-relations/reports [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement <u>QR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>QR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☐ in our Corporate Governance Statement <u>QR</u> ☐ at this location:	☒ an explanation why that is so in our Corporate Governance Statement <u>QR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2015 Annual Report – Directors' Report http://www.mzi.com.au/investor-relations/reports ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and the length of service of each director: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2015 Annual Report – Directors' Report http://www.mzi.com.au/investor-relations/reports	☐ 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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: 2015 Annual Report – Directors' Report http://www.mzi.com.au/investor-relations/reports	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Code of Conduct http://www.mzi.com.au/about-us/corporate-governance	☐ 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 ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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 (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and a copy of the charter of the committee: ☒ at this location: Audit and Risk Committee Terms of Reference http://www.mzi.com.au/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2015 Annual Report – Directors' Report / Directors' Meetings http://www.mzi.com.au/investor-relations/reports [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Statement to the Board of Directors http://www.mzi.com.au/about-us/corporate-governance	☐ 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 ... ⁴
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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Continuous Disclosure Policy http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
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: ☒ at this location: http://www.mzi.com.au/about-us/corporate-governance	☐ 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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Shareholders Communications Policy http://www.mzi.com.au/about-us/corporate-governance	☐ 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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Shareholders Communications Policy http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Shareholders Communications Policy http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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 (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and a copy of the charter of the committee: ☒ at this location: Audit and Risk Committee Terms of Reference http://www.mzi.com.au/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2015 Annual Report – Directors' Report / Directors' Meetings http://www.mzi.com.au/investor-relations/reports [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ 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 ... ⁴
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	... 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: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement
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 (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: [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: ☒ in our Corporate Governance Statement <u>and</u> ☒ at this location: Risk Management and Internal Compliance and Control http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: 2015 Annual Report – Directors' Report http://www.mzi.com.au/investor-relations/reports	☐ 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 ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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 (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a 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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>QR</u> ☐ at this location: ... and a copy of the charter of the committee: ☒ at this location: Remuneration Committee Terms of Reference http://www.mzi.com.au/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>QR</u> ☒ at this location: 2015 Annual Report – Directors' Report / Directors' Meetings http://www.mzi.com.au/investor-relations/reports [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement <u>QR</u> ☐ at this location:	☐ an explanation why that is so in our Corporate Governance Statement <u>QR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement <u>QR</u> ☒ at this location: 2015 Annual Report – Directors' Report / Remuneration Report http://www.mzi.com.au/investor-relations/reports	☐ an explanation why that is so in our Corporate Governance Statement <u>QR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Securities Trading Policy http://www.mzi.com.au/about-us/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	Alternative to Recommendation 1.1 for externally managed listed entities: The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
-	Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities: An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015



The Board has adopted the spirit and intent of the 3rd Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

1.1 Board Role and Responsibilities

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board operates within the principles set out in the Board Charter, a copy of which is available on the Company's website (www.mzi.com.au).

The Board has the following overall responsibilities:

- in conjunction with management, establishing the direction and strategies and financial objectives for the Company and monitoring the implementation of those strategies;
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The Board has delegated to the Managing Director all powers to manage the day to day business of the Company, subject to those powers reserved to the Board and any specific delegations of authority approved by the Board. The Managing Director is supported by the senior management team in the day to day management of the Company.

1.2 Selection and Appointment of New Directors

When the need for a new director is identified, the Board acting on recommendations from the Nomination Committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent research consultants.

When considering new candidates for nomination, the Board takes into account:

- the candidate's competence and qualifications;
- independence;
- the range of skills, experience and expertise on the Board to identify the skills that will best increase the effectiveness of the Board;
- the candidate's ability to devote the time required by each director to effectively undertake his or her responsibilities; and
- the extent to which the candidate is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

The Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company.

Written agreements are executed with all directors.

1.3 Term of Office

The Company's Constitution specifies that all non-executive directors must retire from office no later than the third annual general meeting following their last election. Where eligible, a director may stand for re-election.

1.4 Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters related to the proper functioning of the Board of the Company.

1.5 Diversity Policy

The Board established a diversity policy in October 2014 which includes the implementation of diversity related initiatives and the monitoring and evaluation of their implementation to ensure that the diversity related programs are progressing and are effective in the workplace.

The diversity policy applies to all employees and the policy is posted to the corporate governance section of the website.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

The Company believes its diverse workforce is the key to its continued growth, improved productivity and performance. The Company recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience.

The Company actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated.

As at 30 June 2015, the proportion of women employed across the Group, as a whole, at manager/supervisor level, at senior management level and at Board level were:

	Number of employees	Number of women	Percentage
Total Employees	39	12	31%
Managers / Supervisors	15	4	29%
Senior Management	4	-	-
Board	6	1	17%

1.6 – 1.7 Board and Senior Management Performance Review

The Board is responsible for undertaking an annual evaluation process to review its performance and that of its Committees. The evaluation process includes a self-assessment questionnaire to review performance attributes.

The performance of senior management is assessed annually by the Managing Director. Performance is measured against established performance objectives specific to the individual role and responsibilities of each person.

These processes were undertaken for the year ended 30 June 2015 and the outcomes discussed with board members and senior management.

2.1 Nomination Committee

The Nomination Committee was established on 23 June 2015 and is governed by its Terms of Reference available on the Company's corporate governance section of its website.

It is the Committee's responsibility to identify and evaluate potential future Directors of the Company including the Managing Director, make recommendations to the Board to:

- appoint Directors to fill any casual vacancies on the Company's Board;
- regularly review the composition of the Board to ensure it has an appropriate mix of skills and experience to cater to the Company's needs;
- make recommendations for the appointment or removal of Directors; and
- make recommendations for appointments to the Company's subsidiary Boards.

The Committee comprises three members, two of whom are non-executive independent directors. The Chairman of the Committee is an independent director. All persons appointed to the Committee have sufficient professional expertise, knowledge and understanding to allow them to discharge their duties.

The Committee meets as frequently as necessary, but at least once a year, in order to carry out its responsibilities. Any Committee member may convene a meeting of the Committee.

The Committee may extend an invitation to any person to attend all or part of any meeting which is considers appropriate. The Committee may meet with external advisers, any executive or other employee, any other non-executive director and may do so with or without the presence of management. All Board members wishing to attend are entitled to be present at Committee meetings.

The Chairman of the Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

2.2 *Board Skills Matrix*

The Board does not currently have a skills matrix in place during the current financial year. The Nomination Committee will, following the recent appointment of non-executive directors, be establishing a board skills matrix in the next financial year.

2.3 – 2.5 *Directors' Independence*

The Board has adopted specific principles in relation to directors' independence and these are set out in its Charter. The names of the directors considered to be independent are set out in the Directors' Report.

The Board Charter states that:

- the Board is to comprise an appropriate mix of both Executive and Non-Executive Directors;
- the roles of Chairman and Managing Director are not combined; and
- the Chairman is elected by the full Board and is required to meet regularly with the Managing Director.

The Board comprises six Directors, of whom the Chairman, Mr Randall, is considered independent under the principles set out below. The Board has a predominance of Non-Executive Directors. Details of the experience, qualifications and term of office of Directors are set out in the Directors' Report. The Board considers that collectively the directors have the range of skills, knowledge and experience necessary to direct the Company.

Board members possess complementary business disciplines and experience aligned with the Company's objectives, with a number of Directors being independent and where appropriate, major shareholders being represented on the Board. However, where any Director has a material personal interest in a matter, the Director must declare his interest and abstain from any consideration or vote on the matter.

2.6 *Director and Executive Education*

The Group has a process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Group concerning performance of directors. Directors also have the opportunity to visit the Group's operations and meet with management to gain a better understanding of the business operations. Directors are given access to continuing opportunities to update and enhance their skills and knowledge.

The Group also has a process to educate new senior executives upon taking such positions. The induction program includes reviewing the Group's structure, strategy, operations, financial position and risk management policies. It also familiarises the individual with the respective rights, duties, responsibilities and roles of the individual and the Board.

3.1 *Code of Conduct*

The Board acknowledges the need for the highest standards of corporate governance and ethical conduct by all Directors and employees of the Group. As such, the Company has developed a Code of Conduct which has been fully endorsed by the Board and applies to all Directors and employees. This Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

A fundamental theme is that all business affairs are conducted legally, ethically and with strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the Group. This concerns the propriety of decision making in conflict of interest situations and quality decision making for the benefit of shareholders.

Refer to the Company's website for specific codes of conduct, including the policy for reporting and investigating unethical practices.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

3.2 Securities Trading Policy

Trading of shares is covered by, amongst other things, the *Corporations Act 2001* and the ASX Listing Rules. The Board has established a Securities Trading Policy that imposes restrictions as to when a Director, Officer, consultant, contractor, advisor or an employee who is in possession of unpublished price-sensitive information ("inside information") in relation to the securities of the Company may be restricted from trading during defined closed periods.

If a person possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the person learns the information.

Directors and senior management of the Company are required to notify the Company Secretary before dealing in the Company's securities.

In addition to the above, Directors must notify the Company Secretary as soon as practicable, but no later than 5 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the *Corporations Act 2001* and the ASX Listing Rules, the Company must notify the ASX of any transactions conducted by Directors in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment. Refer to the Company's website for the Company's Securities Trading Policy.

Details of securities held by Directors are disclosed in the Directors' Report in the Company's financial statements.

4.1 – 4.3 Audit and Risk Committee

The Audit and Risk Committee was established on 23 June 2015 and is governed by Terms of Reference which are available on the Company's corporate governance section of its website.

The Committee is responsible for the monitoring and oversight of the reporting of financial information to users of financial reports, the conduct and integrity of the external audit and review process, maintenance of an effective internal control structure and system and maintenance of risk management policies, systems and procedures.

The Committee consists of three non-executive independent directors one of whom is the Chairman. All persons appointed to the Committee have sufficient professional expertise, knowledge and understanding to allow them to discharge their duties.

The Committee meets as frequently as necessary, but at least twice a year, in order to carry out its responsibilities. Any Committee member may convene a meeting of the Committee.

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. The Committee may meet with external advisers, any executive or other employee, any other non-executive director and may do so with or without the presence of management. All Board members wishing to attend are entitled to be present at Committee meetings.

The Chairman of the Committee reports to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval.

The Managing Director and Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the *Corporations Act 2001* which provides assurance to the Board that a sound system of risk management and internal control exists and that the system is operating effectively in material respects in relation to financial reporting risk.

Further, it is a requirement that the Auditor of the Company attend the Annual General Meeting. This provides shareholders the opportunity to question the Auditor concerning the conduct of the Audit and the preparation and content of the Auditor's Report.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

5.1 *Continuous Disclosure Policy*

In adopting a continuous disclosure policy, the Board ensures that shareholders are provided with up-to-date information. The disclosure policy includes identification and recognition of matters which may have a material effect on the price of the Company's shares and notifying them to ASX. The Board aims to ensure that shareholders and investors have equal access to the Company's information. The Company has policies and procedures designed to ensure compliance with ASX Listing Rules.

6.1 – 6.4 *Shareholder Communications Policy*

In accordance with ASX Principle 6, the Board has established a shareholders communication policy. The Board aims to ensure that shareholders, on behalf of whom they act, are fully informed of all information and all major developments affecting the Company in a timely and effective manner.

Information is communicated to the market and shareholders via:

- The Annual Report which is distributed to shareholders on request and is available on the Company's website;
- All quarterly and half yearly reports and all other continuous disclosure announcements made to the ASX via the Company website;
- The Annual General Meeting and other meetings to obtain approval for Board action as appropriate;
- The Company website www.mzi.com.au; and
- The website of the Company's share register, Computershare Investor Services Pty Limited, which includes a facility for shareholders to amend their particulars.

Shareholders are encouraged to make their views known to the Company and to directly raise matters of concern. Shareholders are encouraged to attend the Annual General Meeting and use this opportunity to ask questions. The Annual General Meeting remains the main opportunity for shareholders to comment and to question the Company's Board and management.

7.1 – 7.4 *Risk Management*

The Audit and Risk Committee is responsible for the monitoring and maintenance of an effective risk management system and for the maintenance of risk management policies, systems and procedures.

The Company recognises that risk is inherent to its business and effective management of risk is essential for the achievement of the Company's objectives and to ensure sustainable success. Successful risk management can enhance opportunities, reduce threats and maximise competitive advantage.

The objective of the Company's risk management system is to provide a consistent process for the recognition and management of risks across its business. The success of the Company's risk management lies in the responsibility placed on employees at all levels to proactively identify, manage, review and report on risks relating to the objectives they are accountable for delivering.

The Company applies a structured approach to identifying key areas of business risk which include strategic, health and safety, environment, finance, project construction, operations, geology and exploration, community, legal and compliance and marketing.

At a strategic level, the Board undertakes periodic reviews of strategic risks facing the Company. The Board may use the services of external risk management consultants in these reviews. At an operational level, senior management conduct regular reviews of all operational risks.

A risk register has been developed which includes details of the risks identified, risk assessments and mitigation plans. A consolidated risk report of key strategic and operational risks and the appropriate mitigation plans is prepared and presented to the Board on a regular basis.

The Company's risk profile may change over time. Part of the process of regular reviews of existing risks is to identify new and emerging risks.

Senior management is responsible for the design and implementation of the risk management system to manage the Company's risks and report to the Board on whether those risks are being effectively managed.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

The Company is committed to the principles of sustainable development and has been operating in a safe and sustainable manner for 18 years within Australia. The Company has a proven track record of success and demonstrated commitment to sustainability.

The Company will through its operations have exposure to economic, environmental and social sustainability risks which are disclosed in its annual report and addressed through the Company's sustainability and risk management policies established and implemented by the Board and the Audit and Risk Committee.

8.1 – 8.3 Remuneration Committee

The Remuneration Committee was established on 23 June 2015 and is governed by its Terms of Reference which are available on the Company's corporate governance section of its website.

It is the Committee's responsibility to:

- formulate the Company's remuneration framework;
- periodically review its ongoing appropriateness and relevance for the size and nature of the business and market conditions;
- ensure its alignment with the Company's risk management strategy;
- review all new and any proposed amendments to existing remuneration related policies;
- consider all strategic HR related policies and practices; and
- develop a policy on the treatment of performance based remuneration.

The Committee consists of three non-executive independent directors one of whom is the Chairman. All persons appointed to the Committee have sufficient professional expertise, knowledge and understanding to allow them to discharge their duties.

Remuneration consultants are required to be appointed by, and report directly to, the Committee. The Committee will ensure the remuneration consultant is sufficiently independent.

The Committee meets as frequently as necessary, but at least once a year, in order to carry out its responsibilities. Any Committee member may convene a meeting of the Committee.

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. The Committee may meet with external advisers, any executive or other employee, any other non-executive director and may do so with or without the presence of management. All Board members wishing to attend are entitled to be present at Committee meetings.

The Chairman of the Committee reports to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval.

The Remuneration Report is included in the Director's Report and includes policies and practices regarding the remuneration of non-executive directors, executive directors and senior management including equity based remuneration.

CORPORATE GOVERNANCE STATEMENT for the year ended 30 June 2015

ASX Best Practice Recommendations

The table below identifies the ASX Best Practice Recommendations and whether or not the Company has complied with the recommendations during the reporting period:

		Action taken and reasons if not adopted
Principle 1: Lay solid foundation for management and oversight		
1.1	Disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.	Adopted, except for 1.5 to the extent that measurable objectives for achieving gender diversity are still to be established. The board intends to further review its compliance with the recommendation.
1.2	Undertake appropriate checks before appointing a person for election as a director and provide security holders with all material information in its possession relevant to a decision on whether to elect a director.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	
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.	
1.5	A listed entity should: a) Have a diversity policy which includes requirements for 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; b) Disclose that policy; c) Disclose at the end of each reporting period the measurable objectives for achieving gender diversity and its progress in achieving them.	
1.6	A listed entity should: a) Have and disclose a process for periodically evaluating the performance of the board, its committees and its individual directors; b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process.	
1.7	A listed entity should: a) Have and disclose a process for periodically evaluating the performance of its senior executives; b) Disclose in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process.	

		Action taken and reasons if not adopted
Principle 2: Structure the Board to add value		
2.1	The Board of a listed entity should have a Nomination Committee.	Adopted except for the establishment of a risk matrix under 2.2 which will be actioned in the coming year.
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.	
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 a relationship that would be considered to compromise the independence of the director and the board does not consider the relationship to compromise the director's independence, the reasons why; c) The length of service of each director.	
2.4	The majority of the board should be independent directors.	
2.5	The chair of the board should be an independent director and should not be the same person as the Managing Director.	
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.	
Principle 3: Act ethically and responsibly		
3.1	A listed entity should: a) Have a code of conduct for its directors, senior executives and employees; b) Disclose that code of conduct.	Adopted
Principle 4: Safeguard integrity in corporate reporting		
4.1	The Board of a listed entity should have an Audit Committee.	Adopted
4.2	The Board of a listed entity should, before it approves the entity's financial statements, receive from its Managing Director and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and the 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	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.	

		Action taken and reasons if not adopted
Principle 5: Make timely and balanced disclosure		
5.1	A listed entity should: a) Have a written policy for complying with its disclosure obligations under the listing rules; b) Disclose that policy.	Adopted
Principle 6: Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted
6.2	A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.	
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.	
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.	
Principle 7: Recognise and manage risk		
7.1	The board of a listed entity should have a committee to oversee risk.	Adopted except for compliance with 7.3 where due to the size and nature of the Company, an internal audit function has not been established.
7.2	The board or a committee to the board should: a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; b) Disclose whether such a review has taken place in the reporting period.	
7.3	A listed entity should disclose: a) If it has an internal audit function, how it is structured and what role it performs; b) If it does not, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	
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.	

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		Action taken and reasons if not adopted
Principle 8: Remunerate fairly and responsibly		
8.1	The board of a listed entity should have a remuneration committee.	Adopted
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.	
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 which limit the economic risk of participants in the scheme; b) Disclose that policy.	

Unless otherwise stated, MZI Resources Ltd's corporate governance practices were in place throughout the year ended 30 June 2015.

Various corporate governance practices are discussed within this statement. For further information on the Company's corporate governance practices and policies, please refer to the Company's website (www.mzi.com.au).