



Pure Minerals Limited

25 September 2019

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the current position of Pure Minerals Limited (**Company**) with regards to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition, 2014) (**Principles and Recommendations**).

While the Principles and Recommendations are not mandatory, the Company will be required to disclose the extent to which it complies with the Principles and Recommendations in its future annual reports.

ASX BEST PRACTICE RECOMMENDATIONS

Item	ASX Best Practice Recommendation	Comment	Implemented
Principle 1: Lay a solid foundation for management and oversight			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Policies, is available on the Company's website.</p>	Y
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.</p> <p>All security holder releases will contain material information following the guidance contained in the ASX Corporate Governance Principles and Recommendations (3rd Edition) about any candidate to enable security holders to make informed decisions regarding the</p>	Y

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		candidate's election or re-election.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.</p> <p>The Company's officers and management have all entered into service contracts which outline the responsibilities of each of the company's officers and of management personnel when performing their roles for the Company.</p>	Y
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>The Company's Board Charter sets out the roles and responsibilities of the Company Secretary. It is available for review on the Company's website.</p> <p>The Company Secretary has a direct reporting line to the Board, through the Chair.</p>	Y
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</p>	<p>The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. As the Company only relisted on ASX in August 2017 measurable objectives have not been set. The Company intends to consider measurable objectives in 2018. There are currently no women on the Board or in senior executive positions.</p> <p>The Diversity Policy is available on the Company's website.</p>	Y

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	Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
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 Board Performance Evaluation Policy is available on the Company's website.</p> <p>Due to the current size of the Board and the Company, a Remuneration and Nomination Committee has not been established and the Chair is currently responsible for evaluating the performance of the Board, its committees and individual directors.</p> <p>The review will take the form of an informal meeting based on review goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement identified. The Chair will provide each Director with confidential feedback on their performance.</p>	Y
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 Board is responsible for evaluating the performance of the senior executives. The evaluation procedure for senior executives is set out in the executives' formal job description. At present the Company does not employ any senior executives.</p>	Y
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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p>	<p>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>The Company has adopted a policy whereby the full Board fulfils the duties of the nomination committee and abides by the adopted Remuneration and Nomination Committee Charter (available on the Company's website).</p> <p>If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board</p>	Partial

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	<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>has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board is currently developing a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and experience. As part of the review of the skills matrix the Board will monitor the skills, expertise and experience that are relevant to the Company and assess those requirements against the collective attributes of the Directors.</p> <p>The Board skills matrix will be reviewed by the Directors on an annual basis.</p> <p>Details of the Directors' skills, experience and meeting attendance will be set out in the Directors' report in each year's Annual Report.</p>	N
2.3	<p>A listed entity should disclose:</p> <p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each</p>	<p>The Board consist of 3 Directors, Messrs John Downie, Eddie King and Cameron McLean.</p> <p>The Company considers Messrs Eddie King and Cameron McLean to be independent.</p> <p>Details of the length of service of each director will be set out in the Directors' report in each year's Annual Report.</p>	Y

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	director.		
2.4	A majority of the board of a listed entity should be independent directors	Three of three directors are considered to be independent.	Y
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 Chair of the Board is Mr Eddie King, an independent Director. The role of CEO and Chairman are not exercised by the same person.	Y
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>The Board shall induct new directors in accordance with the process set out in the Company's Board Charter available on the Company's website.</p> <p>The Company is committed to continuing development of its Directors and executives. In line with this commitment, there is an expectation that all Directors and the CEO will commit to at least 1 day of professional development each year. The Board proposes to allocate an annual budget of \$5,000 per Director to encourage Directors to participate in training and development programs. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chair for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.</p>	Y
Principle 3: Act ethically and responsibly			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Board has established a Code of Conduct, to provide guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.</p> <p>The Code of Conduct is available on the Company's website.</p>	Y
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>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.</p> <p>The Board has not established a separate audit committee. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit and Risk Committee Charter (available on the Company's website).</p>	Partial

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	<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>	The Board has also adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.	
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 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 Board receives a written assurance from the CEO and CFO for each financial reporting period that their opinion is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Y
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 Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.	Y
Principle 5: Make timely and balanced disclosure			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p>	The Company has adopted a Continuous Disclosure Policy which requires executive management to determine when a market release is required to comply with the ASX Listing Rules continuous disclosure requirements.	Y

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	(b) disclose that policy or a summary of it.	<p>The Continuous Disclosure Policy will be reviewed by Directors on an annual basis.</p> <p>The Continuous Disclosure Policy is available on the Company's website.</p>	
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 the Company and its governance is available to shareholders via the Company's website.	Y
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly (available on the Company's website).</p> <p>The Company encourages shareholders to attend and participate in general meetings and will make itself available to meet shareholders and respond to shareholder enquiries.</p>	Y
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes.	Y
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 Company and its share registry actively encourage electronic communication. All new shareholders will be issued with a letter encouraging the registration of electronic contact methods.	Y
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,</p> <p>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</p>	<p>The Board has not established a separate Risk Management Committee as the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p> <p>The Company has adopted a policy whereby the full Board fulfil the duties of the risk committee and abides by the adopted Risk Management Policy and Audit and Risk Committee Charter (available on the Company's website).</p> <p>The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board. The Directors require that they are updated regularly on all financial, legal and commercial aspects of the Company</p>	Partial

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	<p>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>	to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.	
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 Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.</p> <p>The Board will review its risk management strategy annually.</p>	Y
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>	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the review of risk management and internal control processes on a regular basis.	Y
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.	The risks the Company are exposed to are set out in the Company's prospectus dated 4 May 2017 (as read with the supplementary prospectus dated 22 June 2017).	Y
Principle 8: Remunerate fairly and responsibly			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p>	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board abides by the Company's</p>	Partial

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	<p>(2) is chaired by an independent director,</p> <p>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>adopted Remuneration and Nomination Committee Charter (available on the Company's website).</p> <p>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</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>The Company will disclosure all Director and executive remuneration and policies on remuneration in its annual report.</p> <p>The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision- making process.</p> <p>In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as Options).</p> <p>Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.</p> <p>The Board reviews and approves the Company's remuneration and nomination committee charter in order to ensure that the Company is able to attract and retain executives and Directors who will create</p>	Y

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		value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.	
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>The Company does not have an equity based remuneration scheme at this time.</p> <p>The Board is responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.</p> <p>The Company recognises that Director, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available on the Company's website) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.</p>	N/A

For further information about the Company's corporate governance policies, and to obtain copies of these policies, please refer to the Company's website.