

**Corporate
Governance
Disclosures -
Financial Year
Ended 30 June
2017**

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed
Principle 1 – Lay solid foundations for management and oversight		
1.1	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> 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. 	<p>The Board of Directors is the key decision making organ of the Company. It is responsible for the strategic direction of the Company and provides guidance to the management of the Company.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> 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. 	<p>The Company carries out reference checks on each individual who is considered for a position as a Director and as an Officer. In the case of any person being considered for a role as a Director, the candidate is interviewed by fellow Directors.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their</p>	<p>The Company has written agreements with each director and senior executives. These agreements set out the terms of their appointment.</p>

	appointment.		
1.4	<p>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>	<p>The Company Secretary is accountable directly to the Board through the chair on all matters to do with the proper functioning of the board.</p>	
1.5	<p>A listed entity should:</p> <ol style="list-style-type: none"> 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; disclose that policy or a summary of it; and 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: <ol style="list-style-type: none"> 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 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>The Company actively seeks to employ and develop female employees.</p>	
1.6	<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of the board, its committees 	<p>The company evaluates the performance of the Board and individual directors every December. Fellow directors review the performance of each director. The performance review was carried out in December 2016</p>	

	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.	
1.7	<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>The Managing Director evaluates the performance of senior executives <u>every December</u> and this process was carried out in December 2016.</p>
Principle 2 - Structure the board to add value		
2.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> have a nomination committee which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: <ol style="list-style-type: none"> the charter of the committee; the members of the committee; and 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 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, 	<ol style="list-style-type: none"> The Board of Directors carries out the role of the nomination committee. The Board has three members, the majority of whom are independent. The Board reflects on the balance of skills that present Board Members have and seeks to identify individuals who have complementary skills.

	knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	
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.	Two Board members have many years of experience in the mining sector both from an operational and strategic perspective. One Board Member and a Senior Executive have significant experience in capital raising, and accounting.
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 director.</p>	<p>a. Mr Frederick Salkanovic and Mr Lu Ning Yi are both independent directors. Two of the three directors are regarded as Independent.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Two of the three directors of the Board are independent.
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.	Mr Justin Douch acted as the Chairman at Board Meetings.
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	An induction program and manual have been developed for new directors. In addition, new and existing directors are encouraged to undertake courses with institutions such as the Australian Institute of Company Director and/or the Governance Institute

	role as directors effectively.	
	Principle 3 – Act ethically and responsibly	
3.1	<p>A listed entity should:</p> <ol style="list-style-type: none"> have a code of conduct for its directors, senior executives and employees; and disclose that code or a summary of it. 	<p>A code of conduct has been developed for the Company's directors and senior executives. The Code outlines courses of action to be followed and deal with issues such as Insider trading.</p>
	Principle 4 – Safeguard integrity in corporate reporting	
4.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> have an audit committee which: <ol style="list-style-type: none"> has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and is chaired by an independent director, who is not the chair of the board, and disclose: the charter of the committee; the relevant qualifications and experience of the members of the committee; and 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 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 	<ol style="list-style-type: none"> As the Company's Board of Directors comprises three Members it is considered efficient to have all three Board members carry out the roles of an Audit Committee. he Company's CFO previously worked as an auditor.

	audit engagement partner.	
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 Managing Director and CFO make 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>
4.3	<p>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.</p>	<p>Every year, the Company Secretary acting on behalf of the Board, invites the external auditor and/ or an authorised representative to attend the AGM.</p>
Principle 5 – Make timely and balanced disclosure		
5.1	<p>A listed entity should:</p> <ol style="list-style-type: none"> have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and disclose that policy or a summary of it. 	<p>There are two communication channels depending on the type of Communication – Operational Announcements are drafted by the Company's officers in consultation with consulting geologists and the Company's solicitors Finance Announcements are drafted by the Company Secretary. These announcements are submitted to Board members for their approval prior to being released to the ASX.</p>
Principle 6 – Respect the rights of security holders		
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The company maintains a website which is available to be viewed at http://www.classicminerals.com.au. This website is regularly updated.</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way</p>	<p>An investor relations program has been developed.</p>

	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.	A Public Relations firm has been engaged to ensure that suitable information is conveyed to the Company's shareholders.
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.	Security holders are given the option to receive communications from and send communications to the entity. This correspondence is sent out to security holders by the company's Share Registry.
Principle 7 – Recognise and manage risk		
7.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: the charter of the committee; the members of the committee; and 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>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>b. The Company considers that the Board is appropriate to review and monitor Risks. Risks are identified on a regular basis and discussed by Board members.</p>

7.2	<p>The board or a committee of the board should:</p> <ol style="list-style-type: none"> review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place. 	<p>The entity's risk management is reviewed annually.</p>
7.3	<p>A listed entity should disclose:</p> <ol style="list-style-type: none"> if it has an internal audit function, how the function is structured and what role it performs; or 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. 	<ol style="list-style-type: none"> The company considers the Board to be the most appropriate Organ to evaluate the processes and to seek continual improvement in risk management.
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>The entity does not have any material exposure to economic, environmental or social sustainability risks.</p>
<p>Principle 8 – Remunerate fairly and responsibly</p>		
8.1	<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> have a remuneration committee which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: the charter of the committee; 	<ol style="list-style-type: none"> The Company believes that the Board of Directors is the most suitable organ of the Company to consider remuneration matters. The Board considers the remuneration of directors and senior executives from other mining companies.

	<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>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	The Board of Directors monitor salaries offered by Companies of a similar size and within the mining sector.
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>	
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</p>	

	<p>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><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>