

Magmatic Resources Limited
Corporate Governance Statement

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3rd edition*

As at 13 February 2017 and approved by the Board

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website at: www.magmaticresources.com.

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

The independent director of the Company is Mr Norris. When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

Recommendation	Current Practice
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.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established.
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	Satisfied. Appropriate checks have been undertaken.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Satisfied. Agreements are in place.
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 proper functioning of the board.	Satisfied. This practice is in place.
1.5 A listed entity should: a. Have a diversity policy; b. Disclose that policy or a summary of it; c. Disclose the measurable objectives for achieving gender diversity and the its progress towards achieving them; and d. The respective proportions of men and women.	Satisfied. Satisfied, see corporate governance section of website. Not satisfied. The measurable objectives are yet to be set. Board – 100% men; Senior Executives – 100% men; whole organisation – 80% men.

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	Satisfied, see process in corporate governance policies.
	b. Disclose whether performance evaluations were undertaken.	Not satisfied. No evaluations have been undertaken to date because of the change of activities.
1.7	A listed entity should:	
	a. Have and disclose a process for periodically evaluating the performance of senior management; and	Satisfied, see process in corporate governance policies.
	b. Disclose whether performance evaluations were undertaken.	Not satisfied. No evaluations have been undertaken to date.
2.1	A listed entity should have a nomination committee which:	Not Satisfied.
	- Consists of at least 3 members, a majority of whom are independent directors;	
	- Is chaired by an independent director;	The board has not established a nomination committee as the role of the committee is undertaken by the full board.
	And disclose:	
	- The charter of the committee;	
	- The members of the committee	
	- The number of times the committee met and individual attendance at those meetings	
	If it does not have a nomination committee disclose that fact and the process it follows to address that role.	To be developed given the Company's change in activities.
2.2	A listed entity should have and disclose a board skills matrix.	Satisfied. See corporate governance section of website.
2.3	A listed entity should disclose:	Satisfied. Mr Norris is the Non-Executive independent directors as defined in ASX guidelines.
	- The names of the directors considered by the board to be independent directors and length of service.	N/A
	- If a director has an interest / association / relationship that meets the factors of assessing independence.	
2.4	A majority of the board should be independent directors.	Not satisfied, only one of the three directors are independent directors.
2.5	The chair should be an independent director. The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Not Satisfied. Mr David Berrie is not an independent Non-Executive Director.
2.6	A listed entity should have a program for inducting new directors.	Not Satisfied. The board has not established this process due to the Company's size.

3.1	A listed entity should: - have a code of conduct; and - disclose the code or a summary of it.	Satisfied. The Code of Conduct is available at www.magmaticresources.com in the Corporate Governance Section.
4.1	The board of a listed entity should have an audit committee which: - Has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent chair, who is not chair of the board. Disclose: - The charter of the committee; - The relevant member qualifications; - The number of times the committee met and individual attendance at those meetings	Not Satisfied. The board has not established an audit committee as it would comprise the same 3 members. The role of the committee is undertaken by the full board. The audit committee charter is available at www.magmaticresources.com in the Corporate Governance Section.
4.2	The board should receive declarations for CEO & CFO in accordance with S.295A of corporations act before approving financial statements.	Satisfied.
4.3	A listed entity should ensure its external auditor attends its AGM.	Satisfied.
5.1	A listed entity should: - Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and - disclosure that policy or a summary of it.	Satisfied. Continuous disclosure policy is available at www.magmaticresources.com Satisfied - in the Corporate Governance Section.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Satisfied. See www.magmaticresources.com in the Corporate Governance Section.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Satisfied. See www.magmaticresources.com in the Corporate Governance Section.
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.	Satisfied. See communication policy at www.magmaticresources.com in the Corporate Governance Section.
6.4	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	Satisfied. See welcome pack to investors.

7.1	The board of a listed entity should have a committee to oversee risk, which: - Has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent chair, who is not chair of the board. Disclose: - The charter of the committee; - The members of the committee; and - The number of times the committee met and individual attendance at those meetings If it does not have a risk committee disclose that fact and the process it follows to address that role.	The board has not established a risk committee as it would comprise the same 3 board members. The role of the committee will be undertaken by the full board. The company has established policies for the oversight and management of material business risks. Risk management program is available at www.magmaticresources.com in the Corporate Governance Section.
7.2	The board or a committee of the board should: - Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and - Disclose whether such a review has taken place.	Not satisfied given recent change in business activities.
7.3	A listed entity should disclose: - If has an internal audit function, how the function is structured and what role it performs; - If it does not have an internal audit function, disclose that fact and the process it follows to address that function.	Not satisfied. The entity does not have an internal audit function. The function is performed by the full board.
7.4	The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.	The entity does not have material exposure in these areas.

8.1	The board of a listed entity should: - have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent director; and Disclose: - The charter of the committee; - The members of the committee; and - The number of times the committee met and individual attendance at those meetings If it does not have a remuneration committee disclose that fact and the process it follows to address that role.	Not Satisfied. The board has not established a remuneration and nomination committee as it would comprise the same 3 board members. The role of the committee is undertaken by the full board.
-----	--	--

8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Satisfied. The structure of Directors' remuneration is disclosed in the annual report.
-----	--	--

8.3	A listed entity which has an equity-based remuneration scheme should: - Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; - Disclose that policy or a summary of it.	There is no broad policy.
-----	---	----------------------------------

Further information about the Company's corporate governance practices is set out on the Company's website at www.magmaticresources.com