

## Appendix 4G

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

Name of entity:

Black Mountain Resources Limited

ACN / ARBN:

147 106 974

Financial year ended:

30 June 2017

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx>

The Corporate Governance Statement is accurate and up to date as at 6 October 2017 and has been approved by the Board.

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

Date: 6 October 2017



Signed:

Print name:

Susan Hunter (Company Secretary)

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |                                                                                                                                                                                                                                                                                                                                       | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                    | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                      |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                            |
| 1.1                                                                     | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.                                                                                                                            | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i><br>... 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):<br><input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2                                                                     | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                                                         | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3                                                                     | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.                                                                                                                                                                                                   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                                                         | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4                                                                     | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.                                                                                                                                                               | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                                                         | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                            |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5                                         | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |
| 1.7                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>            |

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                 |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                       |
| 2.1                                            | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement (members of the Committee) AND</p> <p><input type="checkbox"/> the 30 June 2017 Annual Financial Report includes the number of times the Committee met through the period and the individual attendances of the members at those meetings</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: N/A</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                 |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.3                                                | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(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<br>(c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]<br>... and, where applicable, the information referred to in paragraph (b):<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]<br>... and the length of service of each director:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> the 30 June 2017 Annual Financial Report include the length of service of each Director. | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                          |
| 2.4                                                | A majority of the board of a listed entity should be independent directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ... the fact that we follow this recommendation:<br><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5                                                | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.                                                                                                                                                                                                                                                                                                                                                                     | ... the fact that we follow this recommendation:<br><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6                                                | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.                                                                                                                                                                                                                                                                      | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable            |
| <b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                       |
| 3.1                                                | A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.                                                                                                                                                                                                                                                                                                                                                                 | ... our code of conduct or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a>                                                                                                                                                                                                                                                                                                                                                                      | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                          |

| Corporate Governance Council recommendation                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                                                              |
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| <b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                    |
| 4.1                                                             | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> in the 30 June 2017 Annual Financial Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                                                                                                                                                                                |
| 4.2                                                             | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>                                                                                                                                                                                                                                                                                                                                                                                               | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                                                                                                                                                                                |
| 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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation                 |                                                                                                                                                                                            | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                  | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                                                               |
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| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                     |
| 5.1                                                         | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> policy is included in the Corporate Governance Plan at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                     |
| 6.1                                                         | A listed entity should provide information about itself and its governance to investors via its website.                                                                                   | ... information about us and our governance on our website:<br><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a>                                                                                                                                         | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| 6.2                                                         | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.                                                    | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                       | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |
| 6.3                                                         | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.                                      | ... our policies and processes for facilitating and encouraging participation at meetings of security holders:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                         | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4                                                         | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.                   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>                                                                                                                                                                                                                       | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement                                                                                                                                                                                        |

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
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| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                       |
| 7.1                                            | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> in the Company's 30 June 2017 Annual Financial Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |
| 7.2                                            | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |

| Corporate Governance Council recommendation |                                                                                                                                                                                                                                                                                                                                                                           | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 7.3                                         | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |
| 7.4                                         | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>                                                                                                                                                                  | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |

| Corporate Governance Council recommendation            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                        |
| 8.1                                                    | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx">http://www.blackmountainresources.com.au/corporate/corporate-governance.aspx</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at 30 June 2017 Annual Financial Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: N/A</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>                                                                                                                                                  |
| 8.2                                                    | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>                                                                                                                                                  |
| 8.3                                                    | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

**BLACK MOUNTAIN RESOURCES LIMITED**  
**ACN 147 106 974**  
**(Company)**

**CORPORATE GOVERNANCE STATEMENT**  
**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017**

This Corporate Governance Statement is current as at 6 October 2017 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2017, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practices were adopted in lieu of the recommendation during that period.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at [www.blackmountainresources.com.au](http://www.blackmountainresources.com.au).

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                       | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b><i>Principle 1: Lay solid foundations for management and oversight</i></b>                                                                                                                                                                                                                   |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Recommendation 1.1</b><br>A listed entity should have and disclose a charter which sets out the respective 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. | YES    | <p>The Company has adopted a Corporate Governance Plan 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 Corporate Governance Plan 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, 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 Corporate Governance Plan, is available on the Company's website.</p> |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                           | COMPLY    | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recommendation 1.2</b></p> <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 relevant to a decision on whether or not to elect or re-elect a Director.</p> | YES       | <p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan adopted by the Company. The Company's Corporate Governance Plan requires that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history. These checks were undertaken will continue be undertaken in future prior to appointing a director or recommending a new candidate for election as a director.</p> <p>(b) Under the Corporate Governance Plan, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The Board will ensure this material information in included in the Company's 2017 Notice of Annual General Meeting.</p> |
| <p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>                                                                                                                                                                                         | PARTIALLY | <p>The Company's Corporate Governance Plan requires the Company to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company is currently updating all written agreements with its Directors and senior executives and these will be in place for the next financial year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>Recommendation 1.4</b></p> <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>                                                                                                                                                     | YES       | <p>The CoOrporate Governance Plan outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary reports to the Board through the Chairman and is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and dispatch of Board agenda and briefing material. All directors have access to the Company Secretary.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Recommendation 1.5</b></p>                                                                                                                                                                                                                                                                                                                                    |           | <p>(a) The Company has adopted a Diversity Policy which provides a</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | COMPLY    | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |        |      |       |    |      |                   |     |     |                    |     |     |
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| <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:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) 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>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p> | PARTIALLY | <p>framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c) The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit.</p> <p>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) for the past financial year is disclosed below –</p> <table data-bbox="1227 959 1731 1137"> <thead> <tr> <th></th><th>Female</th><th>Male</th></tr> </thead> <tbody> <tr> <td>Board</td><td>0%</td><td>100%</td></tr> <tr> <td>Senior Executive*</td><td>50%</td><td>50%</td></tr> <tr> <td>Whole organisation</td><td>50%</td><td>50%</td></tr> </tbody> </table> <p>* The Senior Executives are the individuals at the highest level of organisational management who have the day-to-day responsibilities of managing the Company below the Board. The Senior Executives include the Company's CFO and the Company Secretary.</p> |  | Female | Male | Board | 0% | 100% | Senior Executive* | 50% | 50% | Whole organisation | 50% | 50% |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Female    | Male                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |        |      |       |    |      |                   |     |     |                    |     |     |
| Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0%        | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |        |      |       |    |      |                   |     |     |                    |     |     |
| Senior Executive*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 50%       | 50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |        |      |       |    |      |                   |     |     |                    |     |     |
| Whole organisation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 50%       | 50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |        |      |       |    |      |                   |     |     |                    |     |     |
| <b>Recommendation 1.6</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           | (a) The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |        |      |       |    |      |                   |     |     |                    |     |     |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                            | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <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>     | YES    | <p>performance of the Board on an annual basis. In addition, each Board sub-committee is required to undertake an annual performance review of its own activities annually. The Chairman shall review each Director at least once every calendar year. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. A formal performance evaluation in respect of the Board and its committees was not undertaken during FY2017 given the changes in the Board during the year and on 1 July 2017. It is noted the Board plans to undertake a formal performance review of the Board, its sub-committees (if any) and Directors during FY2018. It is noted that the Chairman has open and honest communications with each of the Directors both throughout the financial year and currently whereby matters relating to Director performance, if any, are raised promptly and dealt with accordingly.</p> |
| <p><b>Recommendation 1.7</b></p> <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> | YES    | <p>(a) The Chairman is responsible for evaluating the performance of the Company's CEO (or equivalent) on an annual basis. The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for approving changes to remuneration or contract terms of the CEO (or equivalent).</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company did not complete a formal performance evaluation in respect of its Executive Directors during the past financial year given the changes in the Executive Directors on the Board and their positions during the year and on 1 July 2017. The Company plans to conduct formal performance evaluations in FY2018 and in years subsequent.</p>                                                                                                                                                                                                                                                                                                       |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principle 2: Structure the Board to add value</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>Recommendation 2.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> <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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p> | YES    | <p>(a) The Company does not have a Remuneration and Nomination Committee. The full Board to act as the Remuneration and Nomination Committee as given the relatively small number of Directors, it is not practical to have a separate Committee.</p> <p>(b) As noted above, the Company does not currently have a separate Nomination Committee as the Board does not consider the Company would benefit from its establishment. The Board carried out the duties that would ordinarily be carried out by the Nomination Committee, including the Board reviewing as and when required succession planning and the balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities effectively. A Board Skills matrix is available for viewing on the Company's website.</p> |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | YES    | <p>Under the Corporate Governance Plan, the Board is required to prepare a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Company has a Board skill matrix. A copy is available on the Company's website.</p> <p>The Corporate Governance Plan requires the disclosure of each Board member's qualifications and expertise. Full details of each Director's and senior executive's relevant skills and experience is available in the Company's 30 June 2017 Annual Financial Report.</p>                          |
| <p><b>Recommendation 2.3</b></p> <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 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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> | YES    | <p>(a) The Corporate Governance Plan requires the disclosure of the names of Directors considered by the Board to be independent. The Company has disclosed those Directors it considered to be independent in its 30 June 2017 Annual Financial Report. The Company currently only has one independent Non-executive Director, the Chairman Julian Ford.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The length of service of each Director is disclosed in the Company's Annual Report. Of the Company's current Board, Mr. S. Grant-Rennick and Mr. L. Bechis were appointed as Executive and Non-executive Directors, respectively, on 10 November 2016 and Mr. M. Feilich was appointed as a Non-executive Director on 1 July 2017.</p> |
| <p><b>Recommendation 2.4</b></p> <p>A majority of the Board of a listed entity should be independent Directors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | NO     | <p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board did not have an independent majority during the financial year. The Company's Chairman Mr. J. Ford was also Acting CEO during the financial year, Mr. S. Grant-Rennick was an executive Director, Mr. L. Bechis is a substantial</p>                                                                                                                                                                                                                                                                                                                                                                                                                         |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                    | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|                                                                                                                                                                                                                                                                                                              |        | <p>shareholder in the Company and Mr. J. Ryan was a former Executive Director of the Company.</p> <p>The Company currently does not have a majority of independent Directors as Mr. S. Grant-Rennick is an executive Director and Mr. L. Bechis is a substantial shareholder in the Company.</p> <p>The Board considers the composition of the Board is appropriate in the context of the size of the Board and the Company and the scope and scale of the Company's operations. Further, the Board considers that each of the non-independent Directors in office during the financial year possesses skills and experience suitable for building the Company. The Board will reconsider the composition of the Board in future as the size and scale and of the Company's operations changes.</p> |
| <p><b>Recommendation 2.5</b></p> <p>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.</p>                                                                                                              | NO     | <p>The Corporate Governance Plan provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO.</p> <p>The Chair of the Company during the financial year, Mr. J. Ford, was appointed Acting CEO on 29 November 2016 and as such was not an independent Director. Mr. J. Ford resigned on 1 July 2017. Mr S. Grant-Rennick is the current Chair of the Board. He is also not independent as he is an Executive Director of the Company.</p>                                                                                                                                                                                                                                                                                                    |
| <p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p> | YES    | <p>In accordance with the Company's Corporate Governance Plan the Board is responsible for implementing an induction program for new Directors to ensure that they gain an understanding of the Company and that they can effectively discharge their responsibilities. The Company Secretary assists in the facilitation of inductions and professional development. The Company Secretary regularly provides information to the Directors which may assist in their ongoing professional development.</p>                                                                                                                                                                                                                                                                                         |
| <b>Principle 3: Act ethically and responsibly</b>                                                                                                                                                                                                                                                            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Recommendation 3.1</b>                                                                                                                                                                                                                                                                                    |        | (a) The Company's Corporate Code of Conduct applies to the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | YES    | <p>Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Principle 4: Safeguard integrity in financial reporting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Recommendation 4.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | YES    | <p>(a) The Company does not have an Audit and Risk Management Committee. The full Board acts as the Audit and Risk Committee as, given the relatively small number of Directors, it is not practical to have a separate Committee.</p> <p>Whilst the Company does not have an Audit and Risk Management Committee, the Company's Corporate Governance Plan contains an Audit and Risk Management Committee Charter which is available on the Company's website.</p> <p>(b) As noted above, the Company does not have a separate Audit and Risk Management Committee as the Board did not consider the Company would benefit from its establishment. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Management Committee including the following processes to oversee the entity's risk management framework:</p> <ul style="list-style-type: none"> <li>'Risk' is a standing agenda item at each Board meeting whereby the Company's Risk Register is tabled and noted by the Board with any changes to the Register from prior period being noted by the CEO (or equivalent). The Board are encouraged to update and challenge the matters disclosed in the Risk Register at each Board meeting; and</li> <li>prior to approval of the Company's statutory financial statements, the Board had the opportunity to meet with the Company's auditors as appropriate.</li> </ul> |
| <b>Recommendation 4.2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        | The Company's Audit and Risk Management Committee Charter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                   |
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| 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. | YES    | requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.<br><br>The Company has obtained a sign off on these terms for the 30 June 2017 Annual Financial Statements and will obtain this sign off for each of its financial statements during the coming financial year.                                        |
| <b>Recommendation 4.3</b><br>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.                                                                                                                                                                                                                                                                                                                                                   | YES    | The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.<br><br>The Company's external auditor will attend the Company's 2017 AGM.                                                                                        |
| <b>Principle 5: Make timely and balanced disclosure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |        |                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Recommendation 5.1</b><br>A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it.                                                                                                                                                                                                                                                                                                                                  | YES    | (a) The Company's Corporate Governance Plan details the Company's Disclosure policy.<br><br>(b) The Corporate Governance Plan, which incorporates the Disclosure policy, is available on the Company's website.                                                                                                                                                               |
| <b>Principle 6: Respect the rights of security holders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Recommendation 6.1</b><br>A listed entity should provide information about itself and its governance to investors via its website.                                                                                                                                                                                                                                                                                                                                                                                                                    | YES    | Information about the Company and its governance including the Corporate Governance Plan, Board Skills Matrix and the 2017 Corporate Governance Statement is available in the Corporate Governance page on the Company's website at <a href="http://www.blackmountainresources.com.au/corporate/corporate-">http://www.blackmountainresources.com.au/corporate/corporate-</a> |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                             | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|                                                                                                                                                                                                       |        | governance.aspx.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Recommendation 6.2</b><br>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.                                  | YES    | The Company's Corporate Governance Plan states that the Board is committed to open and accessible communication with holders of the Company's securities. Disclosure of information and other communication is made as appropriate by mail or email. Security holders are given the option to receive communication from, and send communications to, the Board and its security registry electronically. The Company's security holder communications strategy aims to promote and facilitate effective two-way communication with investors. The Corporate Governance Plan outlines a range of ways in which information is communicated to shareholders and is available on the Company's website. |
| <b>Recommendation 6.3</b><br>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.                    | YES    | Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the dispatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Recommendation 6.4</b><br>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | YES    | The security holder communication strategy provides security holders with the option to receive communication from, and send communications to, the Board and its security registry electronically. All information provided to the ASX is immediately posted the Company's website.<br><br>Shareholder queries are referred to the Company Secretary in the first instance.                                                                                                                                                                                                                                                                                                                          |
| <b>Principle 7: Recognise and manage risk</b>                                                                                                                                                         |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Recommendation 7.1</b><br>The Board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:                                                               | YES    | (a) The Company does not have an Audit and Risk Management Committee. The full Board acts as the Audit and Risk Committee as given the relatively small number of Directors, it is not practical to have a separate Committee.<br><br>Whilst the Company does not have an Audit and Risk Management                                                                                                                                                                                                                                                                                                                                                                                                   |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p> |        | <p>Committee, the Company's Corporate Governance Plan contains an Audit and Risk Management Committee Charter which is available on the Company's website.</p> <p>(b) As noted above, the Company does not currently have a separate Audit and Risk Management Committee given the size of the Board and the fact the Board does not consider the Company would benefit from its establishment. The Board carries out the duties that would ordinarily be carried out by the Audit and Risk Management Committee including the following processes to oversee the entity's risk management framework. 'Risk' is a standing agenda item at each bimonthly Board meeting whereby the Company's Risk Register is tabled and noted by the Board with any changes to the Register from prior period being noted by the CEO (or equivalent). The Board are encouraged to update and challenge the matters disclosed in the Risk Register at and between each Board meeting and raise any material risks that they believe are not adequately dealt with in the Risk Register.</p> |
| <p><b>Recommendation 7.2</b></p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management 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>                                                                                                                                                                                                                                                                                           | YES    | <p>(a) The Audit and Risk Management Committee Charter requires that the Audit and Risk Management Committee should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Board and Audit and Risk Management Committee, if established, is focused on the management of risk. The Company's Board reviews the Company's risks at each Board meeting. The CEO (or equivalent) is required to report on the management of risk as a standing agenda item at each Board meeting. This involves the tabling of a Risk Register which is monitored and updated by management periodically. In addition, the Company's Board or the Audit and Risk Management Committee will review the Company's risk management framework at least annually. The Board reviewed the entity's risk management framework with respect to the FY2017 financial year.</p>                                                                                                                                                |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                  | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>Recommendation 7.3</b></p> <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> | YES    | <p>(a) The Board believes it is not of a size to justify having an internal audit function for efficiency purposes but will monitor the need for an internal audit function as the size of the Company and its operations grow having regard to the size, location and complexity of the Company's operations.</p> <p>(b) The Company did not have an internal audit function for the past financial year. The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. In addition, the Board or the Company's Audit and Risk Management Committee, if established, reviews the Company's risk management framework including in relation to internal controls, economic, environmental and social sustainability risk at least annually and monitors the quality of the accounting function. This review will be undertaken by the Audit and Risk Management Committee or the Board during FY2017.</p> |
| <p><b>Recommendation 7.4</b></p> <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>                                                                                                                                                                  | YES    | <p>The Company's Corporate Governance Plan states the risk management policies and procedures shall include a procedure to determine whether the Company has a material exposure to economic, environmental and social sustainability risks and if it does, a policy to manage those risks. The Audit and Risk Management Committee Charter requires the Audit and Risk Management Committee or the full Board is acting as the Audit and Risk Management Committee to assist management determine whether the Company 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 Company discloses this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.</p>                                                                                                                                                                                                                                                                                                 |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Principle 8: Remunerate fairly and responsibly</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Recommendation 8.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) 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</li> </ul> <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> | YES    | <p>(a) The Company does not have a Remuneration and Nomination Committee as given the relatively small number of Directors, it is not practical to have a separate Committee. Whilst the Company does not have a Remuneration and Nomination Committee, the Board has adopted a Remuneration and Nomination Committee Charter.</p> <p>(b) As noted above, the Company does not have a separate Remuneration Committee given the size of the Board and as the Board did not consider the Company would benefit from its establishment. The Board currently carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time. Remuneration levels are competitively set to attract suitably qualified and experienced Directors and senior Executives, having regard for Company performance.</p> |
| <p><b>Recommendation 8.2</b></p> <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 and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | YES    | <p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's 30 June 2017 Annual Report as well as being disclosed on the Company's website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| RECOMMENDATIONS (3 <sup>RD</sup> EDITION)                                                                                                                                                                                                                                                                                                                                           | COMPLY | EXPLANATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>Recommendation 8.3</b></p> <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> | YES    | <p>(a) The Company did not have an equity based remuneration scheme during the past financial year. Under the Company's Corporate Governance Plan, participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme unless specifically approved by the Board.</p> <p>(b) A summary of the policy is provided in the Company's Corporate Governance Plan which is on the Company's website.</p> |