

Genesis Minerals Limited
Corporate Governance Statement
For the Year Ended 30 June 2017

This statement outlines the Corporate Governance Practices adopted by the Board of Directors for the financial year ended 30 June 2017.

This statement is current as at 27 September 2017 and has been approved by the Board.

This statement explains how Genesis addresses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 3rd Edition (“ASX Principles or Recommendations”).

In addition to the information contained in this statement, the Company’s website www.genesisminerals.com.au has a dedicated corporate governance section which includes copies of key corporate governance policies adopted by the Company.

Where Genesis’ corporate governance practices do not correlate with the ASX Principles and Recommendations, it is because the Board does not consider it practical to implement those recommendations due to the size and stage of development of Genesis’ operations and the Board’s reasoning for any departure is explained. As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>		<p>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) is found under the Board Charter.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>		<p>The Board oversees arrangements for the effective appointment of new directors which includes identifying candidates to fill vacancies and to determine the appropriateness of director nominees as well as undertake appropriate checks before appointing a person to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals.</p> <p>As required under the ASX Listing Rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General Meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>		<p>Letters of appointment for each director and senior executive have been entered into by the Company.</p>
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>		<p>The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors. The function performed by the Company Secretary is noted in the letter of appointment of the Company Secretary.</p>

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 Company has a Diversity policy which can be found on its website under the Corporate Governance section. The Company's Diversity policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and given the size and nature of the Company at this stage, the Board considers this course of action reasonable.</p> <p>The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.</p> <p>The Company has not set measurable objectives for achieving gender diversity during the reporting period of 2016 – 2017.</p> <p>There are no women on the Board.</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 process for evaluating Board performance is detailed in the Board Charter.</p> <p>Information on Performance Evaluations is included in the remuneration report section of the Company's Annual Report.</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>A performance assessment for the Managing Director took place during the year in accordance with the Company's agreed policy. This involved the review of the performance against agreed KPI's and feedback was received from the Board where appropriate.</p>

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>The Board does not have a Nomination Committee.</p> <p>The full Board undertakes the role of the Nomination Committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for screening and appointing new Directors. In view of the size and resources available to the Company it is not considered that a separate Nomination Committee would add any substance to this process.</p>																																			
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, exploration and geology, corporate law, finance, listed resource companies, equity markets.</p> <p>The Board Skills matrix for the current Board is as follows:</p> <table border="1" data-bbox="1301 962 2152 1251"> <thead> <tr> <th></th> <th>Richard Hill</th> <th>Michael Fowler</th> <th>Darren Gordon</th> <th>Craig Bradshaw</th> </tr> </thead> <tbody> <tr> <td>operational management</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>exploration and geology</td> <td>✓</td> <td>✓</td> <td>-</td> <td>-</td> </tr> <tr> <td>corporate law</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>-</td> </tr> <tr> <td>accounting & finance</td> <td>-</td> <td>✓</td> <td>✓</td> <td>-</td> </tr> <tr> <td>listed resource companies</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>equity markets</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> </tbody> </table>		Richard Hill	Michael Fowler	Darren Gordon	Craig Bradshaw	operational management	✓	✓	✓	✓	exploration and geology	✓	✓	-	-	corporate law	✓	✓	✓	-	accounting & finance	-	✓	✓	-	listed resource companies	✓	✓	✓	✓	equity markets	✓	✓	✓	✓
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2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>		<p>The Company considers that Richard Hill, Darren Gordon and Craig Bradshaw are independent directors.</p> <p>Richard Hill has been a director since 13 February 2013. Michael Fowler has been a director since 16 April 2007. Darren Gordon has been a director since 23 March 2016. Craig Bradshaw has been a director since 7 September 2017.</p>
2.4	A majority of the board of a listed entity should be independent directors.		The majority of the Board are independent directors.
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.		Richard Hill is the Chairman and is an independent director. The Board believes the Chairman is the most suitable director to undertake this role. Michael Fowler is the CEO.
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 Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>		<p>The Company has a Code of Conduct which can be found on its website under the Corporate Governance section. The Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broader community.</p>
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, 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>The Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate Audit Committee. Until the situation changes the Board carries out all necessary audit committee functions which includes reviewing the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls and general and specific financial matters.</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 CEO (Michael Fowler) provides a declaration in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.</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 Company's audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.</p>

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>The Company's Continuous Disclosure Policy can be found under the Corporate Governance section of the Company's website.</p>
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PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, such as the Board and Committee charters, securities trading policy, diversity policy and the latest Corporate Governance Statement.</p> <p>ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	A Shareholder Communication Policy can be found on the Company's website.
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.	<p>The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders.</p> <p>The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to be addressed through disclosure relating to that meeting.</p> <p>The Company's Shareholder Communication Policy is disclosed on the Company's website.</p>
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.	<p>Shareholders have the option of electing to receive all shareholder communications by e-mail. The Company provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy.</p> <p>All announcements made to the ASX are available to shareholders by e-mail notification when a shareholder provides the Company with an e-mail address and elects to be notified of all Company ASX announcements.</p> <p>The Company's Share Register is managed and maintained by Computershare Investor Services Pty Limited. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Computershare investor centre at: https://www-au.computershare.com/Investor</p>

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, 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>The Board has not established a Risk Committee however it does have a Risk Policy which can be found on the Company's website.</p> <p>Risk management is specifically discussed at the Company's board meetings during the year.</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 Company reviews its risk management framework annually and this information is disclosed in the Annual Report.</p>
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>The Company does not have an internal audit function due to its size and stage of development of operations. The Board believes that the external financial audits and the Board's and management regular reviews of risk management and internal control processes are sufficient for a company of this size.</p>

7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		<p>Similar to all resources companies, the Company has exposure to the following risks:</p> <ul style="list-style-type: none"> • Commodity price and foreign exchange risk – the Company to date has not entered into any hedging requirements. This is continually monitored as the Company expands its operations. • Funding risk – the Company is required to source funding from time to time to fund its operations. The Company to date has managed this risk by raising equity capital from shareholders. • Environmental risk – the Company has existing policies in place to manage the risks arising from exploration and mining activities. • Social sustainability risks – the Company has implemented a Social Responsibility Policy and it actively maintains relationships with all stakeholders that have an interest in the Company's operations.
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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <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>The Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate Remuneration Committee.</p> <p>The whole Board considers the level and composition of remuneration for directors with reference to remuneration levels set by its peers in the mining industry.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		<p>The Company's remuneration structure distinguishes between Non-Executive Directors and that of the Managing Director and senior executives.</p> <p>A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report of the Company's Annual Report.</p>

8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 		<p>In accordance with the Company's Securities Trading Policy which is available on the Company's website, all participants in equity based incentive plans are prohibited from entering into transactions which limit the risk of participating in unvested entitlements in Genesis shares.</p>
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