

Corporate governance statement

This document discloses the extent to which Perpetual Resources Limited ACN 154 516 533 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 30 June 2015 and has been approved by the board of the Company.

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
1.	Principle 1 – Lay solid foundations for management and oversight		
	A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.		
1.1	<p>ASX Recommendation 1.1</p> <p>Companies 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>Yes</p> <p>Yes</p>	<p>Refer Section 1 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>
1.2	<p>ASX Recommendation 1.2</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 in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer Section 3 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>Information is included in The Company’s Notice of Meetings to shareholders.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT												
1.3	<p>ASX Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	The Company currently has executed Letters of Appointment with Non-executive Directors. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2015 Annual Report												
1.4	<p>ASX Recommendation 1.4</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>Refer Section 5 of the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>												
1.5	<p>ASX Recommendation 1.5</p> <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</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>No of women</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>	Gender	Board	Senior executive positions	Whole organisation	No of women	0	0	0	% women	0%	0%	0%
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	<p>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>	Not applicable	
1.6	<p>ASX Recommendation 1.6</p> <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>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board and Senior Executive evaluation policy for further detail which is located on the Company’s website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>No performance evaluation was undertaken during the period to June 2015 as the Board will undertake this review during the coming financial period.</p>
1.7	<p>ASX Recommendation 1.7</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>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board and Senior Executive evaluation policy for further detail which is located on the Company’s website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>No performance evaluation was undertaken during the period to June 2015 as the Board will undertake this review during the coming financial period.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
2.	Principle 2 – Structure the board to add value		
	A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.		
2.1	<p>ASX Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>a. have a nomination 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, <p>and disclose:</p> <ol style="list-style-type: none"> 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 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>a. No</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. Yes</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to nomination.</p> <p>Refer to the Company's Selection and Appointment of New Directors policy for further detail which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>The Company intends to disclose the matters contemplated by Recommendation 2.1(b) in future annual reports.</p>
2.2	ASX Recommendation 2.2	Yes	Refer Section 1 of the Company's Board Charter for further detail which is located

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	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.		on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement
2.3	<p>ASX Recommendation 2.3</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 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>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Board consists of four Directors, of which two directors are considered independent (being Mark Caruso and Ross Hastings) as non-executive directors. Mr George Karafotias and Mr Eric Jiang are Executive Directors and not considered to be independent.</p> <p>The Board considers each of its non-executive directors to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by each non-executive director and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that all non-executive directors are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.</p> <p>The other Directors are currently considered by the Board to not be independent on the basis that they have also engaged in executive management roles.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> • George Karafotias (3.8 year) • Eric Jiang (3.8 year) • Mark Caruso (3.7 year) • Ross Hastings (3.7 years)
2.4	<p>ASX Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	Yes	As noted above in Recommendation 2.3, the Board is composed of four non-executive independent directors.
2.5	ASX Recommendation 2.5	Yes	The Chairman, Mr Mark Caruso is an independent director and Mr Eric Jiang and Mr

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	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.		George Karafotias are Executive Directors.
2.6	<p>ASX Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes	Refer to the Company's Selection and Appointment of New Directors policy for further detail which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement
3. Principle 3 – Act ethically and responsibly			
A listed entity should act ethically and responsibly.			
3.1	<p>ASX Recommendation 3.1</p> <p>A listed entity should:</p> <ol style="list-style-type: none"> a. have a code of conduct for its directors, senior executives and employees; and b. disclose that code or a summary of it. 	No	<p>The Company is in the process of developing a code of conduct.</p> <p>Refer to the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p>http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>
4. Principle 4 – Safeguard integrity in corporate reporting			
A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.			
4.1	<p>ASX Recommendation 4.1</p> <p>The board of a listed entity should:</p> <ol style="list-style-type: none"> a. have an audit committee which: <ol style="list-style-type: none"> 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 	No N/A	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the audit committee.

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	<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>N/A</p> <p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p>	<p>Refer to Company's 2015 Annual Report.</p> <p>Refer Section 1 of the Company's Board Charter for further detail which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p> <p>The Company intends to disclose the matters contemplated by Recommendation 2.1(b) in future annual reports.</p>
4.2	<p>ASX Recommendation 4.2</p> <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</p>	No	<p>The Company does not currently have a CEO or CFO and the Board as a whole approves the Annual Report. The Board will look to appoint relevant executives as the Company grows into the future.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	operating effectively.		
4.3	<p>ASX Recommendation 4.3</p> <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>	Yes	The Auditor attends the Company Annual General Meeting
5.	Principle 5 – Make timely and balanced disclosure		
	A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1	<p>ASX Recommendation 5.1</p> <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>	No No	<p>The Company is in the process of developing a continuous disclosure policy and will disclose information in the coming periods.</p> <p>The Board currently undertakes the role of ensuring continuous disclosure obligations under ASX listing Rules.</p>
6.	Principle 6 – Respect the rights of security holders		
	A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1	<p>ASX Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>
6.2	<p>ASX Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way</p>	Yes	<p>Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	communication with investors.		information/corporate-governance-statement
6.3	ASX Recommendation 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.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement
6.4	Recommendation 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.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement
7.	Principle 7 – Recognise and manage risk		
	A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1	ASX Recommendation 7.1 The board of a listed entity should: a. have a committee or committees to oversee risk, each of which: 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	a) No 1) N/A 2) N/A 3) N/A 4) N/A 5) N/A b) Yes	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the entity's risk management framework. The Company intends to disclose the matters contemplated by Recommendation 7.1(b) in future annual reports. For further detail refer to: Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	<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>		
7.2	<p>ASX Recommendation 7.2</p> <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>	Yes to all	<p>The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <ul style="list-style-type: none"> (i) identifying, assessing, monitoring and managing risk; and (ii) disclosing any material change to the Group's risk profile. <p>The Company intends to disclose the matters contemplated by ASX Recommendation 7.2 in future annual reports.</p> <p>For further detail refer to refer to the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>
7.3	<p>Recommendation 7.3</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</p>	<p>a. N/A</p> <p>b. Yes</p>	<p>The Company does not have an internal audit function. The Audit Committee directly oversees relevant risk areas as part of its risk management function.</p> <p>For further detail refer to the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	effectiveness of its risk management and internal control processes.		
7.4	<p>ASX Recommendation 7.4</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>	No.	There is no material exposure to economic, environmental and social sustainability risks.
8.	Principle 8 – Remunerate fairly and responsibly		
	A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		
8.1	<p>ASX Recommendation 8.1</p> <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, <p>and disclose:</p> <ol style="list-style-type: none"> 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</p>	<p>a. No</p> <ol style="list-style-type: none"> 1. N/A 2. N/A 3. N/A 4. N/A 5. N/A <p>b. Yes</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives</p> <p>The Company intends to disclose the matters contemplated by Recommendation 8.1(b) in future annual reports.</p> <p>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: http://www.perpetualresources.com.au/index.php/investor-information/corporate-governance-statement</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	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.		
8.2	<p>ASX Recommendation 8.2</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.</p>	Yes	<p>Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) and CEO is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.</p> <p>A copy of the latest Annual Report containing this disclosure can be accessed at the Company's website.</p>
8.3	<p>ASX Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ol style="list-style-type: none"> 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 disclose that policy or a summary of it. 	N/A	The Company does not have an equity based remuneration scheme in place.