

Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

The Board of Genesis Minerals Limited (“the Company” or “Genesis”) is responsible for the oversight of the company. The Board guides and monitors the business and affairs of Genesis on behalf of the shareholders and stakeholders by whom they are elected and to whom they are accountable.

The Board has established guidelines for the nomination and selection of directors’ and for the operation of the Board.

Composition of the Board

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board comprises at least three directors which may be increased where it is felt that additional expertise is required.
- The Board comprises a majority of non-executive directors;
- The Chairman of the Board is a non-executive independent director;
- The roles of Chairman and CEO are exercised by different individuals;
- The Board should comprise directors with an appropriate range of qualifications and expertise; and
- The Board shall meet at regular intervals and follow meeting guidelines set down to ensure all directors are made aware and have available all necessary information to participate in an informed discussion of all agenda items.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to the shareholders, it seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the economic entity is delegated by the Board to the Managing Director. The Board ensures that the Managing Director is appropriately qualified and experienced to discharge his responsibilities, and has in place procedures to assess the performance for the Company’s officers, employees, contractors and consultants.

The Board is responsible for ensuring that management’s objectives and activities are aligned with the expectations and risks identified by the Board

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Best Practice Recommendation

Outlined below are the 10 Principles of Good Corporate Governance and Best Practice Recommendations as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below.

	ASX Principle	Status	Reference/comment
Principle 1:	Lay solid foundations for management and oversight		
1.1	Formalise and disclose the functions reserved to the board and those delegated to management	A	
Principle 2:	Structure the board to add value		
2.1	A majority of board members should be independent directors	A	Given the Company's background, the nature and size of its business and the current stage of its development, the board comprises three directors, two of whom are non-executive. The board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chairperson should be an independent director	A	
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual	A	
2.4	The board should establish a nomination committee	A	
2.5	Provide the information indicated in guide to reporting on Principle 2	A (in part)	The skills and experience of directors are set out in the Company's annual report and on its website.
Principle 3:	Promote ethical and responsible decision-making		
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity 3.1.2 the responsibility and accountability of individuals for reporting or investigating reports of unethical practices	A	The Company has formulated a code of conduct which can be viewed on the Company's website.
3.2	Disclose the policy concerning trading in Company securities by directors, officers and employees	A	The Company has formulated a securities trading policy which can be viewed on its website.
3.3	Provide the information indicated in guide to reporting on Principle 3	A	

A = Adopted

N/A = Not adopted

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	ASX Principle	Status	Reference/comment
Principle 4: Safeguard integrity in financial reporting			
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards	A	
4.2	The board should establish an audit committee	A	
4.3	Structure the audit committee so that it consists of: <ul style="list-style-type: none"> • Only non-executive directors • A majority of independent directors • An independent chairperson who is not the chairperson of the board • At least three members 	A (in part)	
		✓	
		✓	
		✓	
		✗	The Company only has two non-executive directors.
4.4	The audit committee should have a formal charter	A	
4.5	Provide the information indicated in guide to reporting on Principle 4	A	
Principle 5: Make timely and balanced disclosure			
5.1	Establish written policies and procedures designed to ensure compliance with ASX listing rule disclosure requirements and to ensure accountability at a senior management level for that compliance	A	
5.2	Provide the information indicated in guide to reporting on Principle 5	A	
Principle 6: Respect the rights of shareholders			
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings	A	In line with adherence to continuous disclosure requirements of ASX all shareholders are kept informed of major developments affecting the Company. This disclosure will be through regular shareholder communications including the Annual Report, Quarterly Reports, the Company website and the distribution of specific releases covering major transactions or events.
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the audit and the preparation and content of the auditor's report	A	Shareholders are encouraged to exercise their right to vote, either by attending meetings, or by lodging a proxy. The Company's auditors attend all shareholders' meetings.

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ASX Principle	Status	Reference/comment
<p>Principle 7: Recognise and manage risk</p> <p>7.1 The board or appropriate board committee should establish policies on risk oversight and management</p>	N/A	<p>While the Company does not have formalised policies on risk management the board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.</p> <p>Determined areas of risk which are regularly considered include:</p> <ul style="list-style-type: none"> • performance and funding of exploration activities • budget control and asset protection • status of mineral tenements • land access and native title considerations • compliance with government laws and regulations • safety and the environment • continuous disclosure obligations • sovereign risk
<p>7.2 The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that:</p> <p>7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the polices adopted by the board</p> <p>7.2.2 the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects</p>	A	
<p>7.3 Provide information indicated in guide to reporting on Principle 7</p>	A	
<p>Principle 8: Encourage enhanced performance</p> <p>8.1 Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives</p>	A	<p>The remuneration of executive and non-executive directors is reviewed by the board with the exclusion of the director concerned. The remuneration of management and employees is reviewed by the board and approved by the chairman.</p>

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ASX Principle	Status	Reference/comment
Principle 9: Remunerate fairly and responsibly		
9.1 Provide disclosure in relation to the Company's remuneration policies and benefits to these policies and the link between remuneration paid to directors and key executives and corporate performance.	A	The Company discloses remuneration-related information in its annual report to shareholders in accordance with the Corporations Act 2001. Remuneration levels are determined by the board on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies.
9.2 The board should establish a remuneration committee	A	
9.3 Clearly distinguish the structure of non-executive directors remuneration from that of executives	A	
9.4 Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders	A	
9.5 Provide information indicated in ASX guide to reporting on Principle 9	A (in part)	
Principle 10: Recognise legitimate interests of stakeholders		
10.1 Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders	A	The Company's code of conduct is set out in the Company's website. The board continues to review existing procedures over time to ensure adequate processes are in place. All directors, employees and contractors are expected to act with the utmost integrity and objectivity in their dealings with other parties, striving at all times to enhance the reputation and performance of the Company.

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Code of Conduct

The Board subscribes to the *Code of Conduct* as published by the Institute of Company Directors. This Code of Conduct has been communicated to all staff.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

Code of Conduct

- All employees must act honestly, in good faith and in the best interests of the company as a whole.
- All employees have a duty to use due care and diligence in fulfilling the functions of their office and exercising the powers attached to that office.
- All employees must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- All employees must recognise that the primary responsibility is to the company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the company.
- All employees must not make improper use of information acquired as an employee.
- All employees must not take improper advantage of their position.
- All employees must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- All employees have an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken.
- Confidential information received by employees in the course of the exercise of their duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- All employees should not engage in conduct likely to bring discredit upon the company.
- All employees have an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

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- All employees are encouraged to report, to their appropriate supervisor, instances of unlawful or unethical behaviour by others.

Trading Policy

Directors - no trading in Genesis shares is allowed in the period 10 days before the release of any result and clearance from the Chairman is required before any trading is allowed.

Senior Management - no trading in Genesis shares is allowed in the period 10 days before the release of any result.

All employees have been made aware of the insider trading provisions of the Corporations Act (2001).