

## Corporate Governance Statement

Birimian Limited ABN 11 113 931 105 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition (**Principles & Recommendations**). The Company has followed each recommendation in the Principles and Recommendations (**recommendation**) where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at <http://www.birimian.com/CorporateGovernance.html>:

### Charters

- Board
- Audit and Risk Committee
- Nomination Committee
- Remuneration Committee
- \*Sustainability Committee

### Policies and Procedures

- Anti-bribery and Corruption Policy
- Code of Conduct
- \*Community Relations Policy
- Continuous Disclosure Policy
- \*Continuous Disclosure Compliance Procedures
- \*Diversity Policy
- \*Environmental Policy
- \*Human Rights Policy
- \*Induction Program
- \*Occupational Health and Safety Policy
- Policy and Procedure for the Selection and (Re)Appointment of Directors
- Process for Performance Evaluations
- Risk Management Policy
- Securities Trading Policy
- Shareholder Communication and Investor Relations Policy
- \*Whistleblower Policy

The Board undertook a comprehensive review of its governance-related documentation at the end of the 2016/2017 financial year (**Reporting Period**) and adopted an updated suite of documentation on 19 June 2017. Prior to this review, the Company did not have in place the charters, policies or procedures marked with an asterisk. This review was undertaken as part of the internal corporate review undertaken during the months of April 2017 to August 2017, details of which are set out in announcements made by the Company to the ASX during that period (**Review**).

The members of the Board also completely changed during the Reporting Period. As a consequence of this, the information in this statement is sometimes noted as being based on disclosure in the Company's 2016 corporate governance statement, as this is the only source of information that was available to the current Board in relation to the particular matter.

The Company reports below on whether it has followed each of the recommendations during the 2016/2017 financial year (**Reporting Period**). The information in this statement is current at 28 September 2017. This statement was approved by a resolution of the Board on 28 September 2017.

## **Principle 1 – Lay solid foundations for management and oversight**

### **Recommendation 1.1**

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its Board Charter, which is disclosed on the Company's website.

### **Recommendation 1.2**

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

During the Reporting Period, relevant information was provided to shareholders in connection with the re-election of Mr Winton Willesee as a director at the Company's 2016 Annual General Meeting. A number of directors were appointed to the Board during the Reporting Period namely, Mr James McKay (appointed 22 March 2017), Mr Michael Langford (appointed 22 March 2017, resigned 27 April 2017), Ms Gillian Swaby (appointed 27 April 2017) and Mr Greg Walker (appointed 30 April 2017). Given the circumstances of these appointments, formal checks were not undertaken before each of these directors were appointed to the Board. However, the current Board has subsequent to the Reporting Period undertaken appropriate checks of current Board members.

The Company's new Policy and Procedure for the Selection and (Re) Appointment of Directors, which is disclosed on the Company's website, now addresses both the checks that the Company will undertake before appointing a person, or putting a person forward for election, and the information to be provided to shareholders in connection with a decision on whether to elect or re-elect a director.

### **Recommendation 1.3**

During the Reporting Period, the Company did not have a written agreement with two non-executive directors, Mr Winton Willesee and Mr Hugh Bresser. These directors resigned during the Reporting Period and the Company now has a written agreement with each of its current directors and senior executive setting out the terms of their appointment.

### **Recommendation 1.4**

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter. During the Reporting Period, the Company Secretary's role was also outlined in the consultancy agreement between Grainger International Consulting Pty Ltd (which entity provides the services of Beverley Nichols as Company Secretary/Chief Financial Officer) and the Company.

### **Recommendation 1.5**

For the period 1 July 2016 until 19 June 2017, the Company did not have a Diversity Policy. Based on the disclosure in the Company's 2016 corporate governance statement, given the Company's size and stage of development, it did not believe that a formal diversity policy would provide any measurable benefit to the Company that is not already provided by its existing practices. The Company did not set any measurable objectives for achieving gender diversity.

The Company has now adopted a Diversity Policy, which is disclosed on the Company's website. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. Nor has the Board set measurable objectives for achieving gender diversity. Given the Company's stage of development as an exploration company, the number of employees (the Company has only one employee who is located in Mali) and the nature of the labour market in Mali, the Board considers that it is not practical to set measurable objectives for achieving gender diversity.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at 30 June 2017 are set out in the following table. "Senior executive" for these purposes means a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the company's financial standing.

As at 30 June 2017, this included each of the Directors and the Company Secretary & Chief Financial Officer:

	<b>Proportion of women</b>
Whole organisation (includes Board members and consultants)	3 out of 8 (37.5%)
Senior executive positions	2 out of 4 (50%)
Board	1 out of 3 (33.3%)

#### **Recommendation 1.6**

The Company's process for evaluating the performance of the Board (including the Chief Executive Officer) and individual directors is disclosed on the Company's website.

Due to the Board changes that occurred during the Reporting Period, an evaluation of the Board and individual directors was not undertaken during the Reporting Period.

#### **Recommendation 1.7**

The Company's process for evaluating the performance of its senior executives is disclosed on the Company's website.

Due to the Board and other management changes that occurred during the Reporting Period, an evaluation of senior executives was not undertaken during the Reporting Period.

### **Principle 2 – Structure the board to add value**

#### **Recommendation 2.1**

The Board has not established a separate Nomination Committee. Given the size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of a Nomination Committee.

Although the Board has not established a Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition and responsibilities of the Board in its capacity as the Nomination Committee. The Nomination Committee Charter is disclosed on the Company's website, and was updated on 19 June 2017. When matters within the responsibility of the Nomination Committee are considered by the Board, they are marked as separate agenda item at meetings of the Board. The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not party to the relevant discussions.

#### **Recommendation 2.2**

The skills and diversity which the Board has in its membership are:

- sound finance, business management and legal experience;
- international, including African, resource industry experience;
- industry-government relations;
- accounting and legal qualifications;
- listed company experience; and
- leadership, governance and strategy.
- Male and female Board members.

#### **Recommendation 2.3**

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations.

The members of the Board changed during the Reporting Period. Set out below is a table showing the persons who were directors during the Reporting Period and their independence status:

<b>Period of office during Reporting Period</b>	<b>Name of Director</b>	<b>Independent/Not independent</b>
01/07/2016 – 22/03/2017	Winton Willesee	Independent
01/07/2016 – 22/03/2017	Hugh Bresser	Independent
01/07/2016 – 30/04/2017	Kevin Joyce	Not independent – Managing Director
22/03/2017 – present	James McKay	Not independent due to executive role with the Company
22/03/2017 – 27/04/2017	Michael Langford	Independent
27/04/2017 – present	Gillian Swaby	Not independent due to executive role with the Company
30/04/2017 – present	Greg Walker	Not independent – Chief Executive Officer

The length of service of each director is set out in the Directors' Report on page 12.

#### **Recommendation 2.4**

The Board had a majority of directors who were independent for the period 1 July 2016 to 22 March 2017. However, the current Board does not have any independent directors. The Board considers that the current composition is appropriate for the Company's current activities and includes an appropriate mix of skills and experience relevant to the Company's operations.

#### **Recommendation 2.5**

The Board had an independent Chairman (Mr Willesee) who was not also the Managing Director for the period 1 July 2016 to 21 March 2017.

Since 22 March 2017, the non-independent Chair of the Board is Mr McKay. Mr McKay is not independent due to the executive role Mr McKay performed during the Review that was commenced shortly after McKay joined the Board. While the Board recognises the importance of independence of the Chairman, the Board considers that Mr McKay is the most appropriate person for the position of Chairman given his experience and the current activities of the Company. It is anticipated that Mr McKay's role will revert to that of a non-executive Chairman following reinstatement of the Company's securities to trading on the Australian Securities Exchange. Mr McKay is not also the Company's Chief Executive Officer, which position is held by Mr Walker.

#### **Recommendation 2.6**

The Company did not have a documented induction program in place for the period 1 July 2016 to 18 June 2017. However, based on the Company's disclosure in its 2016 corporate governance statement, a process was in place which included meetings with key executives, a presentation and an overview of key policies and processes. The new directors appointed to the Board during the Reporting Period did not participate in a formal induction program when they joined the Board. This was largely as a consequence of the circumstances of the Company when they joined and the need to focus on and address the matters arising from the Review.

However, the Company has now established (on 19 June 2017) a documented induction program, which is disclosed on the Company's website. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity.

The full Board, in its capacity as the Nomination Committee, will regularly review whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board effectively using a Board skills matrix. Where any gaps are identified, the Board will consider what training or development should be undertaken to fill those gaps. In particular, the Board will ensure that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements. Directors will also receive ongoing education on developments in accounting standards.

### **Principle 3 – Act ethically and responsibly**

#### **Recommendation 3.1**

The Company has established a Code of Conduct for its directors, senior executives and employees, which is disclosed on the Company's website.

The Company also adopted a Whistleblower Policy on 19 June 2017, which is disclosed on the Company's website, to encourage the persons to whom the policy applies to raise any concerns or report instances of any potential breach of law, any violations (or suspected violations) of the Company's Code of Conduct or any other legal or ethical concern without the fear of intimidation or reprisal.

Additional policies adopted by the Company on 19 June 2017 to ensure that the Company acts ethically and responsibly are:

- Anti-bribery and Corruption Policy.
- Community Relations Policy.
- Environmental Policy.
- Human Rights Policy.
- Occupational Health & Safety Policy.

The Board has also adopted a Sustainability Committee Charter which describes the role, composition and responsibilities of the Board in its capacity as the Sustainability Committee. Each of the policies listed above and the Sustainability Committee Charter are disclosed on the Company's website.

### **Principle 4 – Safeguard integrity in corporate reporting**

#### **Recommendation 4.1**

The Board has not established a separate Audit Committee. Given the size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of an Audit and Risk Committee.

Although the Board has not established an Audit and Risk Committee, it has adopted an Audit and Risk Committee Charter which describes the role, composition and responsibilities of the Board in its capacity as the Audit and Risk Committee. The Audit and Risk Committee Charter is disclosed on the Company's website, and was updated on 19 June 2017. When matters within the responsibility of the Audit and Risk Committee are considered by the Board, they are marked as separate agenda item at meetings of the Board. The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not party to the relevant discussions.

Details of each of the director's qualifications are set out in the Directors' Report on page 12. Each of the members of the Board consider themselves to be financially literate and have an understanding of the industry in which the Company's operates.

The Company has also established a Procedure for the Selection, Appointment and Rotation of its External Auditor, which is disclosed on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

#### **Recommendation 4.2**

Before the Board approved the Company financial statements for the full-year ended 30 June 2017, it received from the Managing Director or Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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 (**Declaration**).

The former Board did not receive a Declaration for the half-year ended 31 December 2016, as it is understood that this was not the former Board's practice.

The Board did not receive a Declaration for each of the quarters ending 30 September 2016, 31 December 2016, 31 March 2017 and 30 June 2017 because in the Board's view its quarterly reports are not financial statements to which the Declaration can be appropriately given.

#### **Recommendation 4.3**

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered and must arrange to be represented at that meeting by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company writes to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Mr Mark Petrecevic, a representative of the Company's former auditor, Grant Thornton attended the Company's annual general meeting held on 25 November 2016.

### **Principle 5 – Make timely and balanced disclosure**

#### **Recommendation 5.1**

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website. Prior to 19 June 2017, the Company had a Policy on Continuous Disclosure which was disclosed on the Company's website.

### **Principle 6 – Respect the rights of security holders**

#### **Recommendation 6.1**

The Company provides information about itself and its governance to investors via its website at [www.birimian.com](http://www.birimian.com).

#### **Recommendation 6.2**

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's Shareholder Communication and Investor Relations Policy. Prior to 19 June 2017, the program was set out in the Company's Shareholder Communication Policy.

#### **Recommendation 6.3**

The Company has in place a Shareholder Communication and Investor Relations Policy (prior to 19 June 2017 a Shareholder Communication Policy) which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

#### **Recommendation 6.4**

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Computershare Investor Services Pty Ltd, at [www.computershare.com.au](http://www.computershare.com.au)

## **Principle 7 – Recognise and manage risk**

### **Recommendation 7.1**

As noted above, the Board has not established a separate Risk Committee. Please refer to the disclosure above under Recommendation 4.1 in relation to the Audit and Risk Committee.

### **Recommendation 7.2**

The Board reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

### **Recommendation 7.3**

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board will rely on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy, a copy of which is disclosed on the Company's website.

### **Recommendation 7.4**

The Company has identified material exposure to the following economic, environmental and social sustainability risks:

<b>Risk</b>	<b>Management of risk</b>
<p><b>Commodity price volatility</b></p> <p>If the Company's existing projects are developed to production, its revenue will be derived from the sale of lithium and gold. Accordingly, fluctuations in lithium and gold prices will significantly affect the Company's future operations and profitability. Declines in the prices for lithium and gold could cause the continued development of, and eventually the commercial production, from the Company's projects to be rendered uneconomic.</p>	<p>Factors such as inflation, exchange rates, supply and demand and political and economic events can all impact commodity prices and are out of the Company's control. However, the Company will manage its exposure to commodity price volatility by monitoring market conditions and making decisions based on industry experience.</p>
<p><b>Additional requirements for capital</b></p> <p>The Company's ongoing activities and growth through development will require substantial expenditures. There can be no guarantee that the Company will be able to continue to use debt and/or equity to fund its activities. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and have a material adverse effect on its activities.</p>	<p>The Company manages this risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.</p>
<p><b>Country risk</b></p> <p>The Company's operations in Mali are exposed to various levels of political, economic and other risks and uncertainties with operating in a foreign</p>	<p>Factors such as the political and economic risks outlined opposite are out of the Company's control. However, the Company manages this risk by</p>

<p>jurisdiction. These risks include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions, war and civil conflict, lack of law enforcement, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, Mali.</p>	<p>engaging with and maintaining open dialogue with all relevant Malian government agencies and other relevant stakeholders.</p>
<p><b>Malian mining law and regulations</b></p> <p>Mining in Mali is subject to regulation under the Mining Code of Mali and Mining Regulations. These include obligations in relation to participation of the Malian government, beneficiation, the environment and site rehabilitation, community development, relationships with land owners, compliance with the Malian tax regime and funding for research, training and promotion of mining activities. There is a risk that government approvals may not be granted or may be significantly delayed. New legislation, changes to existing legislation or new government policy may impact the Company's projects.</p>	<p>The Company manages this risk by engaging suitably qualified advisers to assist the Company and its subsidiaries operate in accordance with all relevant laws and regulations. The Company also engages with and maintains open dialogue with all relevant Malian government agencies and other relevant stakeholders.</p>
<p><b>Corporate responsibility risk</b></p> <p>The Company's operations and activities interact with a range of community stakeholders who have an interest in the impacts of the Company's activities and require the Company to maintain a "social licence" to discover, develop and operate mining projects. This encompasses compliance with environmental laws and regulations, occupational health and safety laws and regulations, anti-bribery and corruption laws. It also encompasses establishment and maintenance of community relations in Mali. These give rise to a range of risks including land access, reputational risk and the risk of losing its "social licence" to operate.</p>	<p>The Company engages qualified consultants and advisers and strives to conduct its operations and activities to the required standard and in compliance with all applicable laws and regulations. The Company has adopted a Community Relations Policy and engages with stakeholders.</p>

In addition, the above risks forms part of the Company's overall risk management strategy. The Board has adopted a Risk Management Policy. Under the Risk Management Policy, the Board oversees the processes by which risks are managed. This includes defining the Company's risk appetite, monitoring of risk performance and those risks that may have a material impact to the business. Management is responsible for the implementation of the risk management and internal control system to manage the Company's risk and to report to the Board whether those risks are being effectively managed.

The Company's system to manage its material business risks includes the preparation of a risk register by management to identify the Company's material business risks, analyse those risks, evaluate those risks (including assigning a risk owner to each risk) and treat those risks. Risks and their management are to be monitored and reviewed at least annually by senior management. The Chief Executive Officer is required to report to the Board on all matters associated with risk management as required; report to the Board as



to the effectiveness of the Company's management of its material business risks at least annually and review and update the Company's risk register and present the register to the Board on at least an annual basis.

The Company's Risk Management Policy is disclosed on the Company's website.

## **Principle 8 – Remunerate fairly and responsibly**

### **Recommendation 8.1**

The Board has not established a separate Remuneration Committee. Given the size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of a Remuneration Committee.

Although the Board has not established a Remuneration Committee, it has adopted a Remuneration Committee Charter which describes the role, composition and responsibilities of the Board in its capacity as the Remuneration Committee. The Remuneration Committee Charter is disclosed on the Company's website, and was updated on 19 June 2017. When matters within the responsibility of the Remuneration Committee are considered by the Board, they are marked as separate agenda item at meetings of the Board. The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not party to the relevant discussions.

### **Recommendation 8.2**

Details of remuneration, including the Company's policy on remuneration and "clawback policy" regarding the lapsing or clawback of performance-based remuneration under the Company's Incentive Option Plan or Incentive Performance Rights Plan in certain circumstances including fraudulent or dishonest behaviour, serious or wilful misconduct or ineligibility to hold office under Part 2D.6 of the Corporations Act, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences at page 16 of the Company's Annual Report for year ended 30 June 2017.

### **Recommendation 8.3**

The Company's Securities Trading Policy includes a statement on the Board's policy that participants in the Company's equity based remuneration schemes are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.