

EMMERSON RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (**Best Practice Recommendations**). The Best Practice Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Best Practice Recommendations.

The Board of the Company currently has in place a corporate governance policy which has been posted in a dedicated corporate governance information section of the Company's website at www.emmersonresources.com.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Policy includes a Board Charter, which discloses the specific responsibilities of the Board. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director (Chief Executive Officer).
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance.
1.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 1</i> .	The Company will explain any departures from best practice recommendations 1.1 and 1.2 in its future annual reports, including whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.
2.	<i>Structure the board to add value</i>	
2.1	A majority of the board should be independent directors.	A majority of the Board are independent directors.

2.2	The chair should be an independent director.	The Chairman (Mr Andrew McLLwain) is an independent director.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Managing Director (to be appointed Chief Executive Officer) (Mr Rob Bills) and Chairman (Mr Andrew McLLwain) are different people.
2.4	The board should establish a nomination committee.	No formal nomination committee has been adopted by the Company as yet. The Board, as a whole, currently serves as a nomination committee. Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Chairman will review the composition of the Board and the performance of each director to ensure that it continues to have a mix of skills and experience necessary for the conduct of the Company's activities. A new director will receive an induction appropriate to his or her experience. The Corporate Governance Policy is posted on the Company's website.
2.6	Companies should provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	The Company will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in its future annual reports.
3.	<i>Promote ethical and responsible decision-making</i>	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical 	The Company's Corporate Governance Policy includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. The Corporate Governance Policy is posted on the Company's website.

	practices.	
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Corporate Governance Policy includes comprehensive guidelines on trading in Company securities. The Corporate Governance Policy is posted on the Company's website.
3.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 3</i> .	The Company will explain any departures from best practice recommendations 3.1, 3.2 and 3.3 in its future annual reports.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1	The board should establish an audit committee.	The Board has established a separate audit and risk management committee.
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	The committee consists of three non-executive and independent directors and is chaired by Mr Tim Kestell, an independent non-executive director, who is not the Chairman of the Board. The composition, roles and responsibilities of the audit committee are set out in the Corporate Governance Policy which is posted on the Company's website.
4.3	The audit committee should have a formal charter.	The Company's Corporate Governance Policy includes the formal charter for the audit and risk management committee.
4.4	Companies should provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	The Company will explain any departures from best practice recommendations 4.1, 4.2 and 4.3 in its future annual reports.
5.	<i>Make timely and balanced disclosure</i>	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial

	executive level for that compliance and disclose those policies or a summary of those policies.	position.
5.2	Companies should provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	The Company will provide an explanation of any departures from best practice recommendation 5.1 in its future annual reports
6.	<i>Respect the rights of shareholders</i>	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Policy includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The Company will provide an explanation of any departures from best practice recommendation 6.1 in its future annual reports.
7.	<i>Recognise and manage risk</i>	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board will require either the Managing Director (Chief Executive Officer) or the Chief Financial Officer to design and implement risk management and internal control systems and provide a report at the relevant time.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in	The Board will seek this relevant assurance from the Managing Director (Chief Executive Officer) and the Chief Financial Officer.

	accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	
7.4	Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company will provide an explanation of any departures from best practice recommendations 7.1, 7.2 and 7.3 (if any) in its future annual reports.
8.	<i>Remunerate fairly and responsibly</i>	
8.1	The board should establish a remuneration committee.	No formal remuneration committee has been adopted by the Company as yet. The Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. Relevantly, the Company's Constitution provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the Managing Director (Chief Executive Officer) and senior executives (without the participation of the affected director).
8.3	Companies should provide the information indicated in the <i>Guide to reporting on Principle 8</i> .	The Company will provide an explanation of any departures from best practice recommendations 8.1 and 8.2 (if any) in its future annual reports.