



ACN 106 641 963

Corporate Governance Statement

OVERVIEW

The Board of Directors (**Board**) of Big River Gold Limited (**the Company**) is responsible for the overall corporate governance of the Company, and is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has considered the Australian Securities Exchange (ASX) Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (3rd Edition)* (**the Principles and Recommendations**).

In line with the above, the Board has set out the way forward for the Company in its implementation of the Principles and Recommendations. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the Principles and Recommendations. Where the Company has not adhered to the Principles and Recommendations it has stated that fact in this Corporate Governance Statement. This statement is current as at 27 September 2018.

The Company's corporate governance policies are as follows and are all available on the Company's website at www.bigrivergold.com.au

- Board Charter
- Procedures for Selection and Appointment of Directors
- Code of Conduct
- Securities Trading Policy
- Audit Committee Charter
- Continuous Disclosure Policy
- Shareholders Communications Policy
- Risk Management and Internal Compliance and Control
- Diversity Policy
- Remuneration Committee Charter
- Nomination Committee Charter



Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
<p><u>Recommendation 1.1</u> 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>	Yes	Board Charter, Code of Conduct and Website	<p>The Company has adopted a Board Charter, which discloses the specific responsibilities of the Board.</p> <p>The Board is responsible for, and has the authority to determine all matters relating to, the strategic direction, policies, practices, establishing goals for management and the operation of the Company.</p> <p>The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders.</p> <p>The specific responsibilities of the Board include:</p> <ul style="list-style-type: none"> • appointment, evaluation, rewarding and if necessary the removal of the Managing Director, and Chief Financial Officer (or equivalent) and the Company Secretary; • in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities; • establishing appropriate levels of delegation to the Managing Director to allow him to manage the business efficiently; • monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company; • monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available; • via management, an appreciation of areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks; • overseeing the management of safety, occupational health and environmental matters; • satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review; • satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes

			<p>are in place and functioning appropriately;</p> <ul style="list-style-type: none"> • to ensure that appropriate internal and external audit arrangements are in place and operating effectively; • having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and • reporting to shareholders. <p>The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and will put in place procedures to assess the performance of the Managing Director and executive directors.</p> <p>The Board's role and the Company's corporate governance practices are periodically reviewed and improved as required.</p> <p>Full details of the roles and responsibilities of the Board are contained in the Board Charter.</p>
<p><u>Recommendation 1.2</u> 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>Procedures for Selection and Appointment of Directors and Website</p>	<p>Directors of the Company (Directors) are appointed based on the specific governance skills required by the Company. Over time the Board shall work towards ensuring, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including:</p> <ul style="list-style-type: none"> • accounting and legal; • business development and risk management; • industry and public company experience; and • an appropriate ratio and skills matrix for executive and non-executive directors. <p>In respect of any future Directors, the Company will continue to conduct specific and appropriate checks of candidates prior to their appointment or nomination for election by shareholders. However the Company does not propose to conduct these checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that it is not considered necessary in the Company's circumstances.</p> <p>Currently, the Company includes in its notice of meetings a brief biography which sets out relevant qualifications and professional experience, of each Director who stands for election or re-election, for consideration by shareholders.</p>



<p><u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	Kept at registered office	<p>The Company seeks to engage or employ its Directors and other senior management under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.</p> <p>Executives are employed pursuant to written agreements with the Company and Non Executive Directors are engaged under a letter of appointment.</p>
<p><u>Recommendation 1.4</u> 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	Board Charter And Website	<p>The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.</p> <p>Full details of the Board's and Company Secretary's roles and responsibilities are contained in the Board Charter.</p>
<p><u>Recommendation 1.5</u> A listed entity should:</p> <ul style="list-style-type: none"> (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; (b) disclose that policy or a summary of it; and (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: 	No		<p>The Board has adopted a diversity policy and is in the process of developing and implementing measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.</p> <p>The Company is committed to workplace diversity and recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board currently exhibits diversity across all these aspects other than gender.</p>

<ol style="list-style-type: none"> 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 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><u>Recommendation 1.6</u> A listed entity should:</p> <ol style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>Yes – 1.6(a) No – 1.6(b)</p>	<p>Performance Evaluation Practices Procedures</p>	<p>The Board has adopted a Policy for evaluation of its performance, committees and individual Directors.</p> <p>No formal evaluations were conducted during the last reporting period, however in the normal course of events the Board will review performance of committees, Directors and the Board as a whole annually.</p>
<p><u>Recommendation 1.7</u> A listed entity should:</p>	<p>Yes – 1.7(a) No – 1.7(b)</p>	<p>Performance Evaluation Practices Procedures</p>	<p>The Board has adopted a Policy for evaluation of its Managing Director and key executives.</p> <p>Performance was monitored throughout the year on an ongoing informal basis although no formal evaluations were conducted during the last reporting period. In the normal course of events formal reviews of senior management would occur annually.</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>			
Principle 2: Structure the board to add value			
<p><u>Recommendation 2.1</u></p> <p>(a) The board of a listed entity should: 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, 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 nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has</p>	<p>Yes – 2.1(b)</p> <p>No – 2.1(a)</p>	<p>Nomination Committee Charter and Website</p>	<p>Currently the whole Board acts as the Nomination Committee.</p> <p>To assist the Board to fulfil its function as the Nomination Committee, the Board has adopted a Nomination Committee Charter. The principal functions of the Committee include:</p> <ul style="list-style-type: none"> • review the composition of the Board and ensure that the Board has an appropriate mix of skills and experience to properly fulfil its responsibilities and make recommendations regarding appointments, retirements and terms of office of directors; and • ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance. <p>As a matter of practice, candidates for the office of Director are individually assessed by the Board before appointment or nomination to ensure they possess the relevant skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.</p>

<p>the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>			
<p><u>Recommendation 2.2</u> 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>No</p>		<p>The Company is currently developing a Board Skills Matrix. Key areas of skills will include: communication, inter-personal, analytical, strategic, mining exploration and development, operating in foreign jurisdictions, legal, funding, accounting, ASX/ASIC, occupational health and safety, media, shareholder liaison and board experience. The Company will review the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages.</p>
<p><u>Recommendation 2.3</u> A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.</p>	<p>Yes</p>		<p>During or since the end of the year, the Company had two Directors who satisfied the criteria for independence as outlined in 2.3 of the Principles and Recommendations, being Mr John Evans, Mr Andrew Vickerman.</p>



<p><u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.</p>	<p>No</p>		<p>Presently, the Board does not comprise a majority of “independent directors”.</p> <p>There are currently two Directors who satisfy the definition of independence for the purposes of Principle and Recommendation 2.3.</p> <p>The Board considers that given the size and scope of the group at present, that it has the relevant experience on the Board and is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders, strategically and operationally.</p> <p>However, the Board does review this position at each Board Meeting and intends to review the requirement for, and benefits of, additional independent Directors as the Company’s operations expand in size and complexity.</p>
<p><u>Recommendation 2.5</u> 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.</p>	<p>No</p>		<p>The roles of Chairman and Managing Director are performed by different persons.</p> <p>The Chairperson of the Company is Mr Andrew Vickerman who is considered to be independent for the purposes of Principle and Recommendation 2.3.</p>
<p><u>Recommendation 2.6</u> 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>	<p>No</p>		<p>The Company does not currently have a formal induction program for new Directors nor does it have a professional development program for existing Directors. The Board does not consider it necessary to have a formal induction program given the current size and scope of operations. However, the Board intends to review the requirement for, and benefits of, a formal induction program and professional development program as the Company expands in size and complexity.</p> <p>All Directors are generally experienced in various facets of professional development albeit not all in the same area. Some of the current Directors have wide corporate governance experience gained from present and prior positions on the Boards of other companies. The Board seeks to ensure that all of its members understand the Company’s operations. Directors also attend, either through the Company or for their own professional development requirements, seminars, industry conferences, technical reading and research, to maintain and develop their knowledge.</p>

Principle 3: Act ethically and responsibly			
<p><u>Recommendation 3.1</u> 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>	Yes	Code of Conduct and Website	<p>The Company has adopted a Code of Conduct that aims to encourage the appropriate standards of conduct and behaviour of the directors, officers, employees and contractors (collectively called the employees) of the Company.</p> <p>Employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.</p> <p>The Company is committed to the highest level of integrity and ethical standards in all business practices.</p> <p>The purpose of the Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.</p> <p>A breach of the Code is subject to disciplinary action which may include punishment under legislation and/or termination of employment. The Code of Conduct is available on the Company's website at www.bigrivergold.com.au</p>
Principle 4: Safeguard integrity in corporate reporting			
<p><u>Recommendation 4.1</u> The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <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 2. is chaired by an independent director, who is not the chair of the board, and disclose: 3. the charter of the committee; 	<p>Yes – 4.1(b)</p> <p>Yes – 4.1(a)</p>	Audit Committee Charter and Website	<p>The Company has established an Audit and Risk Committee and Audit Committee Charter. During the year the committee consisted of 3 members with a majority being independent directors, including the chairperson.</p> <p>The Committee's responsibilities include the following:</p> <ul style="list-style-type: none"> • to review the adequacy of systems and standards of internal control with emphasis on risk management, financial reporting procedures and compliance; • to review proposed announcements of financial results, financial statements, management questionnaires and external audit reports in advance of the Board; • to receive any information it requires from management; • to report its findings and recommendations directly to the Board;

<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>			<ul style="list-style-type: none"> • to provide a direct link from the Board to the external auditor, to nominate the external auditor from time to time as required, and to review the adequacy, scope and quality of the annual statutory audit and half year audit review; • to assess whether non-audit services provided by the external auditor are consistent with maintaining the external auditor’s independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review; and • to provide advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001 (Cth). <p>A formal Audit Committee Charter has been adopted, a copy of which is available on the Company’s website at www.bigrivergold.com.au</p>
<p><u>Recommendation 4.2</u></p>	<p>Yes</p>	<p>Kept at registered office</p>	<p>The Managing Director and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration 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.</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 operating effectively.</p>			
<p><u>Recommendation 4.3</u> 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	Shareholders Communication Policy	In accordance with the Company's Shareholder Communication Policy, the external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the conduct of the audit and the preparation and content of the auditor's report.
<p>Principle 5: Make timely and balanced disclosure</p>			
<p><u>Recommendation 5.1</u> A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.</p>	Yes	Continuous Disclosure Policy and Website	<p>The Company is a "disclosing entity" pursuant to section 111AR of the Corporations Act 2001 and, as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act.</p> <p>As such, the Company has a Continuous Disclosure Policy. The purpose of this Continuous Disclosure Policy is to ensure the Company complies with continuous disclosure requirements arising from legislation and the Listing Rules of the ASX. The Policy sets out the procedure for:</p> <ul style="list-style-type: none"> • protecting confidential information from unauthorised disclosure; • identifying material price sensitive information and reporting it to the Company Secretary for review;

			<ul style="list-style-type: none"> ensuring the Company achieves best practice in complying with its continuous disclosure obligations under legislation and the Listing Rules; and ensuring the Company and individual officers do not contravene legislation or the Listing Rules. <p>The Company has obligations under the Corporations Act 2001 and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (e.g. the Annual Report).</p> <p>The Company recognises that the maintenance of confidentiality is also of paramount importance to the Company both to protect its trade secrets and to prevent any false market for the Company's shares from developing.</p> <p>All relevant information provided to ASX in compliance with the continuous disclosure requirements of legislation and the Listing Rules is promptly posted on the Company's web site www.bigrivergold.com.au</p>
Principle 6: Respect the rights of security holders			
<u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Shareholders Communication Policy	Information on the Company's Corporate Governance, including copies of its various corporate governance policies and charters, is available on the Company's website.
<u>Recommendation 6.2</u> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholders Communication Policy	<p>The Company has a Shareholder Communications Policy that promotes effective communication with shareholders and encourages presentation of information to shareholders in a clear, concise and effective manner. The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to Shareholders through the annual report, half yearly report, quarterly reports, disclosures and announcements made to the ASX, the annual general meeting and general meetings and through the Company's website.</p> <p>The Shareholder Communications Policy is available on the Company's website at www.bigrivergold.com.au</p>

<p><u>Recommendation 6.3</u> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Yes</p>	<p>Shareholders Communication Policy</p>	<p>In accordance with the Company's Shareholder Communications Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, which will be reviewed regularly to encourage the highest level of shareholder participation.</p> <p>The Company considers general meetings to be an effective means to communicate with shareholders and encourages shareholders to attend general meetings. In preparing for general meetings, the Company drafts the notice of meetings and related explanatory information so that they provide all of the information that is relevant to the shareholders in making decisions on matters to be voted on by them at the meeting. Information is presented in a clear, concise and effective manner.</p>
<p><u>Recommendation 6.4</u> 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>	<p>Yes</p>	<p>Shareholders Communication Policy</p>	<p>The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.</p> <p>Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p>
<p>Principle 7: Recognise and manage risk</p>			
<p><u>Recommendation 7.1</u> 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;</p>	<p>Yes – 7.1(b) Yes – 7.1(a)</p>		<p>The Board has established the Audit & Risk Committee to oversee risk management, approve risk management strategies and policies, internal compliance and internal controls. During the year the committee consisted of 3 members with a majority being independent directors including the chairperson. The Board takes ultimate responsibility for risk management and monitoring, with input on specific issues provided from time to time by the Audit & Risk Committee.</p> <p>The Company's Risk Management and Internal Compliance and Control Policy is available on the Company's website at www.bigrivergold.com.au which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to management.</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 and Audit & Risk Committee delegate to the Managing Director/CEO responsibility for implementing the risk management system who will submit particular matters to the Board for its approval or review. The Managing Director/CEO is required to report to the Board on the management of risk.</p> <p>The Board monitors risk through various arrangements including:</p> <ul style="list-style-type: none"> • regular Board and Committee meetings; • share price monitoring; • market monitoring; and • regular review of financial position and operations. <p>The Board and Audit & Risk Committee regularly review assessments of the effectiveness of risk management and internal compliance and control.</p>
<p><u>Recommendation 7.2</u></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>	<p>Yes</p>		<p>The Board and Audit & Risk Committee monitors the Company's risk management framework at least annually.</p> <p>As the Company's operations expand in size and complexity, the Board will reconsider the need for a more comprehensive system of identifying, assessing, monitoring and managing risk in the Company.</p>
<p><u>Recommendation 7.3</u></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>Yes – 7.3(b)</p> <p>No – 7.3(a)</p>		<p>The Company does not currently have an internal audit function. The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company's operations. The absence of an internal audit function is taken into account by the Board and Audit & Risk Committee in its ongoing monitoring and management of risks, including the level of detailed attention devoted to particular issues as necessary.</p> <p>The Company has adopted procedures which are set out in its Risk Management and Internal Compliance and Control Policy as follows:</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>			<ul style="list-style-type: none"> (a) establishing the Company’s goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives; (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company’s goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks; (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control. <p>Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:</p> <ul style="list-style-type: none"> (a) effectiveness and efficiency in the use of the Company’s resources; (b) compliance with applicable laws and regulations; and (c) preparation of reliable published financial information. <p>Management is charged with evaluating and considering improvements to the Company’s risk management and internal control processes on an ongoing basis.</p> <p>As the Company’s operations expand in size and complexity, the Board will reconsider the appropriateness of creating an internal audit function.</p>
<p><u>Recommendation 7.4</u> 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>	<p>Yes</p>		<p>The Company’s primary operation is mining and development of mineral resource projects. It is subject to various economic, environmental and social sustainability risks, which may be materially impact the Company’s ability to operate and to generate value for shareholders. These include:</p>

			<p>(a) Exploration – The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company’s exploration and mining tenements and obtaining consents and approvals necessary for the conduct of its exploration activities. The actual costs of exploration may materially differ from those estimated by the Company.</p> <p>(b) Title risks – All exploration leases held either by the Company or through its subsidiaries are subject to renewal. There is a risk that title may not be renewed.</p> <p>(c) Future Capital Requirements – Future funding will be required by the Company to develop various projects. There can be no assurance that such funding will be available on satisfactory terms or at all, be it via operational cashflows, debt or equity funding. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, which may adversely affect the business and financial condition of the Company and its performance.</p> <p>(d) Commodity price fluctuations – The Company’s future revenue will depend upon demand and commodity prices for its products.</p> <p>(e) Exchange rate fluctuations – The expenditure of the Company is and will be taken into account in Australian, Brazilian, and US currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the US dollar, the Brazilian real, and the Australian dollar as determined in international markets.</p> <p>(f) Environmental risks – The operations and activities of the Company are subject to environmental laws and regulations. As with most exploration projects and mining operations, the Company’s operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with environmental laws.</p> <p>(g) Market Conditions – Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. Share market conditions are affected by many factors such as: general economic outlook, introduction of tax reform or other new legislation, interest rates and inflation rates, changes in investor sentiment toward particular market sections, the demand for, and supply of, capital, and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.</p>
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			The Company has adopted the Risk Management and Internal Compliance and Control Policy and other procedures to identify, mitigate and manage these risks and other risks identified going forward. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of the Company's risk profile.
Principle 8: Remunerate fairly and responsibly			
<p><u>Recommendation 8.1</u> 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 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>Yes – 8.1(b)</p> <p>No – 8.1(a)</p>		<p>The Company has established a Remuneration Committee and charter. The committee consists of 3 members, with a majority being independent directors. Paul Stephen, an executive director, is a member of the Remuneration Committee.</p> <p>The Remuneration Committee Charter is available on the Company's website at www.bigrivergold.com.au</p> <p>During the year and given the present size of the Company, at times the whole Board carried out the duties that would ordinarily be assigned to the Remuneration Committee.</p> <p>Remuneration of Directors and Key Management Personnel is determined with regard to the performance of the Company, the performance and skills and experience of the particular person and prevailing remuneration expectations in the market. The Board devotes times on an annual basis to discuss the level and composition of remuneration for the Directors and Key Management Personnel and ensures such remuneration is appropriate and not excessive. Details of remuneration of Directors and Key Management Personnel are disclosed in the Remuneration Report in the Annual Report. The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.</p> <p>Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. This limit is currently set at \$460,000. There are no termination or retirement benefits for non-executive Directors (other than for superannuation). Non-executive Directors may be offered options as part of their remuneration, subject to shareholder approval.</p>



<p><u>Recommendation 8.2</u> 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>The Company's policies and procedures regarding the remuneration of Executive and Non-Executive Directors and other Key Management Personnel is contained with the Remuneration Report which is within the Company's Annual Report for each financial year.</p>
<p><u>Recommendation 8.3</u> A listed entity which has an equity-based remuneration scheme should: (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>	No		<p>Whilst the Company's Securities Trading Policy sets out the circumstances in which the Company's directors, executives, employees, contractors, consultants and advisors are prohibited from dealing in the Company's securities, there is no specific policy guidance on whether participants in an equity-based remuneration scheme are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>The Securities Trading Policy is available on www.bigrivergold.com.au</p>