

## Company Secretary

During the reporting period until 1 December 2010, Hayley Butcher and Gilbert Rodgers held the positions of Joint Company Secretary. Following that date, Ms Butcher became sole Company Secretary. Ms Butcher is a governance professional and Chartered Secretary, holding a Graduate Diploma in Applied Corporate Governance. She is responsible for compliance matters of the Company including Corporations Law, ASX Listing Rules and other statutory requirements as well as corporate governance.

## Meetings of Directors

The following table sets out the number of meetings held during the year ended 30 June 2011 by directors and Board committees, and the attendances.

	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Meetings
	Number eligible to attend / attended			
R Crabb	6/6	2/2	2/2	1/1
C Mackay	6/6	-	-	1/1
G Rodgers	6/6	-	-	1/1
G Lamont	6/6	2/2	2/2	1/1
N Alhammadi	6/4	-	-	1/1

## Remuneration Report (Audited)

This Remuneration Report details the nature and amount of remuneration for each of the director's and other senior management personnel of the Company.

## Names and Positions of Key Management Personnel

Names and positions of key management personnel of the economic and parent entity in office at any time during the financial year are as follows:

Key Management Personnel	Position
R Crabb	Chair, Non Executive Director
C Mackay	Managing Director
G Rodgers	Executive Director (Finance)
G Lamont	Director, Non Executive
N Alhammadi	Director, Non Executive
P Olubas	Exploration Manager
H Butcher	Company Secretary

## Compensation Practices

Non executive directors' fees include superannuation. The aggregate fees are fixed and approved by shareholders.

For a portion of the reporting period, the executive directors received consultancy fees for their executive services to the Company. During the report period, the Company restructured the executive director's remuneration arrangements. The executive directors are now employees of the Company.

The Company does not have a bonus or incentive option scheme for the directors. The Company has an Employee Share/Option Scheme, in which the directors may participate. To date, any options granted by the Board to executives, do not have associated specific performance hurdles.

The Board also has a Remuneration Committee, details of which are contained in the Corporate Governance Statement.

## Remuneration Policy

Emoluments of Directors and senior executives are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the Directors and senior executives. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's annual report.

Directors and senior executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

The Company's policy is to remunerate non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to the Company's or the individual's performance. From time to time the Company may grant options to non-executive Directors. The grant of options is designed to recognise and reward efforts as well as to provide non-executive Directors with additional incentive to continue those efforts for the benefit of the Company.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive Directors is subject to approval by shareholders at general meeting.

The Company's remuneration policy for executive directors and senior executives is designed to promote superior performance and long term commitment to the Company.

Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interests of the Company and shareholders, to do so.

The Board's reward policy is designed to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- reward reflects the competitive market in which the Company operates;
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.

Directors' and senior executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Long term performance incentives may include options granted at the discretion of the Board and subject to the successful completion of performance hurdles.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

## Service Agreements

For a portion of the reporting period, remuneration and other terms of engagement for the Managing Director and the Executive Director were formalised in consultancy service agreements. During the report period, the Company restructured the executive director's remuneration arrangements.

The remuneration of the executive directors is as follows:

C R Mackay, Managing Director, \$280,000  
G C Rodgers, Executive Director (Finance), \$224,000.

Remuneration levels are not dependent upon the Company's performance as the nature of the Company's and the consolidated entity's operations is exploration and is not generating profit.

## Key Management Personnel Compensation

The remuneration of the non executive directors is as follows:

- R Crabb, Chair, Non Executive Director, \$75,000 pa including 9% superannuation;
- G Lamont, Non Executive Director, \$55,000 pa including 9% superannuation; and
- N Alhammadi, Non Executive Director, \$50,000 pa including 9% superannuation.

Details of the remuneration of each director and key management personnel of Golden Rim, including their personally related entities are set out below.

Table 1: Remuneration for financial year ended 30 June 2011

Name	Short Term		Post Employment		Share Based	% of remuneration as options	Total \$
	Salary & fees \$	Non Monetary benefits \$	Super-annuation \$	Retirement Benefits \$	Shares & Options \$		
R Crabb	60,000	-	15,000	-	423,000	84.94	498,000
C Mackay <sup>1</sup>	251,674	-	13,326	-	863,074	76.51	1,128,074
G Rodgers	200,000	-	12,000	-	722,074	77.06	934,074
G Lamont	50,459	-	4,541	-	211,500	79.36	266,500
N Alhammadi	50,000	-	-	-	211,500	80.88	261,500
P Olubas <sup>2</sup>	184,893	-	11,240	-	134,200	40.63	330,333
H Butcher	104,587	-	9,413	-	204,563	64.21	318,563
<b>Total</b>	<b>901,613</b>	<b>-</b>	<b>65,520</b>	<b>-</b>	<b>2,769,911</b>	<b>-</b>	<b>3,737,044</b>

Table 2: Remuneration for financial year ended 30 June 2010

Name	Short Term		Post Employment		Share Based	% of remuneration as options	Total \$
	Salary & fees \$	Non Monetary benefits \$	Super-annuation \$	Retirement Benefits \$	Shares & Options \$		
R Crabb	60,000	-	15,000	-	-	-	75,000
C Mackay <sup>1</sup>	250,000	-	-	-	237,111	48.68	487,111
G Rodgers	200,000	-	-	-	237,111	54.25	437,111
G Lamont	50,459	-	4,541	-	-	-	55,000
N Alhammadi	25,678	-	2,311	-	-	-	27,989
P Olubas <sup>2</sup>	180,000	-	-	-	-	-	180,000
H Butcher	91,770	-	-	-	58,747	39.03	150,517
<b>Total</b>	<b>857,907</b>	<b>-</b>	<b>21,852</b>	<b>-</b>	<b>532,969</b>	<b>-</b>	<b>1,412,728</b>

1. For a portion of the reporting period, these fees were paid to Earth Science Solutions Pty Ltd, a company which Mr Mackay has an interest.
2. For a portion of the reporting period, these fees were paid to Indicatrix Mining Pty Ltd, a company which Mr Olubas has an interest.

## Compensation Options

Details of options held by each director and key management personnel of Golden Rim as at 30 June 2011 are set out below.

Table 3

Key Management Personnel	Number Granted	Grant Date	Value per Option at Grant Date \$	Exercise price per option \$	Vesting Date	Vested %	Expiry Date	Number of Options Vested
R Crabb	4,000,000	23/11/07	0.076	0.15	23/11/08	100	31/12/11	4,000,000
	3,000,000	22/11/10	0.141	0.29	21/11/10	100	21/11/15	3,000,000
C Mackay	2,000,000	23/11/07	0.076	0.15	23/11/08	100	31/12/11	2,000,000
	3,500,000	23/11/09	0.113	0.27	23/11/10	100	22/11/14	3,500,000
	5,000,000	22/11/10	0.141	0.29	21/11/10	100	21/11/15	5,000,000
G Rodgers	2,000,000	23/11/07	0.076	0.15	23/11/08	100	31/12/11	2,000,000
	3,500,000	23/11/09	0.113	0.27	23/11/10	100	22/11/14	3,500,000
	4,000,000	22/11/10	0.141	0.29	21/11/10	100	21/11/15	4,000,000
G Lamont	2,000,000	23/11/07	0.076	0.15	23/11/08	100	31/12/11	2,000,000
	1,500,000	22/11/10	0.141	0.29	21/11/10	100	21/11/15	1,500,000
N Alhammadi	1,500,000	22/11/10	0.141	0.29	21/11/15	100	21/11/15	1,500,000
P Olubas	1,000,000	23/11/07	0.076	0.15	23/11/08	100	31/12/11	1,000,000
	1,100,000	22/11/10	0.122	0.29	21/11/10	100	21/11/15	1,100,000
H Butcher	600,000	06/10/09	0.134	0.21	06/10/10	100	5/06/14	600,000
	1,500,000	22/11/10	0.122	0.29	21/11/10	100	21/11/15	1,500,000

Options are issued to directors and executives as part of their remuneration. The exercise price of the options is determined at the time of their issuance with consideration given to the Company's underlying share price at the time of issue. The conversion price is usually higher than the price of the shares at the time. The value of options during the year is set out below:

Table 4

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$
R Crabb	423,000	-	-
C Mackay	705,000	227,750	-
G Rodgers	564,000	182,200	-
G Lamont	211,500	-	-
N Alhammadi	211,500	-	-
P Olubas	134,200	-	-
H Butcher	183,000	-	-

During the year and to the date of the Directors Report, 4,500,000 unlisted Class C options issued to directors, expiring on 31 December 2010, were exercised. The options had an exercise price of 15 cents each. The following Directors exercised options granted to them as part of their compensation:

Name	No. of options exercised	No. of ordinary shares issued	Amount paid \$	Amount unpaid \$
C Mackay	2,500,000	2,500,000	375,000	-
G Rodgers	2,000,000	2,000,000	300,000	-

## Shares Under Option

The unissued ordinary shares of Golden Rim under option at the date of this Directors' Report are as follows:

- 12,150,000 unlisted Class D options issued to directors and consultants (directly and indirectly), expiring on 31 December 2011 with an exercise price of 15 cents each;
- 600,000 unlisted Class E options issued to a consultant, expiring on 5 October 2014 with an exercise price of 21 cents each;
- 7,000,000 unlisted Class F options issued to directors (directly and indirectly), expiring on 22 November 2014 with an exercise price of 27 cents each; and
- 1,000,000 unlisted Class G options issued to consultants, expiring on 10 July 2015 with an exercise price of 21 cents each.
- 15,000,000 unlisted Class H options issued to directors (directly and indirectly) expiring on 21 November 2015 with an exercise price of 29 cents each.
- 3,900,000 unlisted ESOP Options issued to employees, expiring on 21 November 2015 with an exercise price of 29 cents each.

No person entitled to exercise any of the options has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The names of all persons who currently hold options, granted at any time, are entered in the register kept by the Company pursuant to section 216C of the *Corporations Act 2001* and the register may be inspected free of charge.

## Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## Environmental Regulation

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non compliance is low, and has not identified any compliance breaches during the year.

## Auditor's Independence

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 34 of this Annual Report.

## Non Audit Services

The Auditor has provided other non-audit services, including domestic and international taxation advice.

The details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 19 to the financial statements. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence.

## Insurance of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors and the Company Secretary, Hayley Butcher, against a liability incurred as such a Director or Secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## Corporate Governance Statement

Golden Rim has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition) (**Principles & Recommendations**), the Company has followed each 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" regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

Further information about the Company's corporate governance practices may be found on the Company's website at [www.goldenrim.com.au](http://www.goldenrim.com.au), under the section marked "Investors - Corporate Governance".

Golden Rim reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the reporting period. The Principles & Recommendations were amended in 2010 and these amendments apply to the Company's first financial year commencing on or after 1 January 2011. Accordingly, disclosure against the Principles & Recommendations as amended in 2010 will be made in relation to the Company's financial year ending 30 June 2012. The report below is made against the Principles & Recommendations prior to their amendment in 2010. Golden Rim has however, made a partial early transition to the amended Principles & Recommendations by adopting a Diversity Policy and establishing measurable objectives for achieving gender diversity.