

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, 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.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R ¹	If not, why not ²		ASX P & R ¹	If not, why not ²
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4 ³	n/a	n/a
Recommendation 1.3 ³	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2 ³	n/a	n/a
Recommendation 2.2	✓		Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2 ³	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6 ³	n/a	n/a	Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4 ³	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3 ³	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3 ³	n/a	n/a
Recommendation 4.2		✓			

1 Indicates where the Company has followed the Principles & Recommendations.

2 Indicates where the Company has provided "if not, why not" disclosure.

3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Board

Roles and responsibilities of the Board and Senior Executives

(Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.

The Company's Board Charter is available on the Company's website.

Skills, experience, expertise and period of office of each Director

(Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

Director independence

(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board does not have a majority of directors who are independent. The Board believes that its composition provides the diversity of skills and experience appropriate to the Company's circumstances. The executive directors have extensive knowledge and

understanding of the Company's history in relation to its projects and business to date. Accordingly, the Board considers that its current structure is the most appropriate to add value to the Company, notwithstanding the lack of an independent majority of directors. In accordance with Company policy, when Board nominations are made, the independence of the candidate is given consideration.

The independent directors of the Company are Glenister Lamont and Rick Crabb (deemed to be independent). Mr Lamont is independent as he is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement.

Mr Crabb is a substantial shareholder of the Company. Therefore Mr Crabb does not satisfy paragraph 1 of the independence criteria set out in the Company's Policy on Assessing the Independence of Directors. Mr Crabb does however satisfy all other aspects of the independence criteria set out in that Policy. The Board (in the absence of Rick Crabb) believes that he consistently demonstrates a capability to make decisions and take actions which are in the best interests the Company. Further, the board notes that Mr Crabb considers himself to bring independent judgement to the Board's decision making notwithstanding his substantial shareholding. Therefore, the Board considers Mr Crabb to be independent.

The independence of directors is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the materiality threshold set by the Board in respect of its Policy on Assessing the Independence of Directors. The Board considers a relationship to be material if it impacted or impacts 10% or more on the Consolidated Statement of Comprehensive Income in a financial year.

The non-independent directors of the Company are Craig Mackay, Gilbert Rodgers and Nadir Alhammadi.

The independent Chair of the Board is Rick Crabb and the Managing Director is Craig Mackay.

Independent professional advice (Recommendation: 2.6)

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and (Re)Appointment of Directors (Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director, other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or 3 years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or a third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

The Company's Policy and Procedure for the Selection and (Re)Appointment of Directors is available on the Company's website.

Nomination Committee (Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. The Board considers that at this stage, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings, when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Details of Nomination Committee meetings and attendance are set out in the Directors' Report. The Board has adopted a Nomination Committee Charter, which is available on the Company's website.

Audit Committee (Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has established an Audit Committee. The Audit Committee is not structured in compliance with Recommendation 4.2 as it consists of only two members. Given the composition of the Board, the formation of an Audit Committee in accordance with Recommendation 4.2 is not possible, however, the Audit Committee follows Recommendation 4.2 to the extent it is able. The Audit Committee is comprised of the two independent non-executive directors, being Rick Crabb and Glenister Lamont (Chair). The Chair of the Audit Committee is not Chair of the Board.

The Board has adopted an Audit Committee Charter which describes the Audit Committee's role, composition, functions and responsibilities.

Details of the Audit Committee Meetings and attendance are set out in the Directors' Report. Both members of the Audit Committee consider themselves to be financially literate and have industry knowledge. Both Rick Crabb and Glenister Lamont hold Masters of Business Administration and are therefore financially qualified. Furthermore, the Executive Director, Gilbert Rodgers, is a Chartered Accountant and is available to attend Audit Committee meetings in order to assist the Audit Committee with financial matters, if required. Further details of each of the director's qualifications are set out in the Directors' Report.

The Company has established a Procedure for Selection, Appointment and Rotation of External Auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. 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 Audit Committee and any recommendations are made to the Board.

The Company's Audit Committee Charter and the Company's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Company's website.

Remuneration Committee

(Recommendations: 8.1, 8.2, 8.3)

The Board has established a Remuneration Committee. Its members are Rick Crabb (Chair) and Glenister Lamont. Details of the Remuneration Committee meetings are set out in the Directors' Report.

The Board has adopted a Remuneration Committee Charter which describes its role, composition, functions and responsibilities.

Details of remuneration, including the Company's Remuneration Policy, are contained in the Remuneration Report which forms part of the Directors' Report. Non-executive directors are remunerated at market rates for time, commitment and responsibilities and remuneration for non-executive directors is not linked to individual 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 incentives to continue those efforts for the benefit of the Company.

Executive directors and senior executives receive base remuneration, which is market related. Overall, remuneration to executives is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions. The Board's reward policy is designed to retain appropriately qualified executive talent for the benefit of the Company. Executives' remuneration is reviewed by the Board 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 may be subject to the successful completion of performance hurdles.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Remuneration Committee Charter includes a statement of the Board's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter is available on the Company's website.

Performance evaluation of Senior Executives

(Recommendations: 1.2, 1.3)

The Nomination Committee (or its equivalent) is responsible for evaluating the Managing Director. Other senior executives are evaluated by the Managing Director. The procedure for the evaluation of the Managing Director and other senior executives is determined annually.

During the Reporting Period an evaluation of senior executives took place on an informal basis. A formal process is anticipated to be implemented in the 2011/2012 financial year.

Performance Evaluation of Board, its committees and individual directors (Recommendations: 2.5, 2.6)

The Chair is responsible for evaluation of the Board, Board committees and individual directors. The evaluation is performed over a 3 year cycle. During the first year (Stage 1), each Director completes a questionnaire which is reviewed by the Chair who then conducts interviews with each individual Director. The questionnaire is designed to evaluate the Board and its committees. The following year (Stage 2) the questionnaire is refined with reference to the previous year's outcomes and is used to track progress. During the third year (Stage 3), a more comprehensive approach is implemented to address issues arising from previous questionnaires as well as addressing newly identified areas of focus and may involve contribution from external consultants. Individual director performance will also be evaluated during Stage 3. The actual procedure used for evaluation of the Board, Board committees and individual directors each year is disclosed in the Company's annual report.

During the reporting period, an evaluation of the Board and its committees took place in accordance with the Stage 1 process disclosed above. An evaluation of the individual directors will be held during Stage 3.

Code of Conduct

(Recommendations: 3.1, 3.3)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A summary of the Company's Code of Conduct is available on the Company website.

Policy for Trading in Company Securities

(Recommendations: 3.2, 3.3)

The Company has established a Policy for Trading in Company Securities applicable to all directors and employees and, in certain circumstances, contractors and consultants.

A copy of the Company's Policy for Trading in Company Securities is available on the Company's website.

Continuous Disclosure

(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Summaries of the Company's Policy on Continuous Disclosure and the Company's Compliance Procedures are available on the Company's website.

Shareholder Communication

(Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company's Shareholder Communication Policy is available on the Company's website.

Risk Management

Recommendations: 7.1, 7.2, 7.3, 7.4)

The Company has adopted a risk management policy, a risk management framework and risk management procedures. Under the Company's risk management framework, the Board oversees the processes by which risks are managed. This includes monitoring of its 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 and to report to the board on the effectiveness of its management measures. Oversight of the Company's risk management policy is provided by the Audit Committee. The Company's risk management process is based on and consistent with the Australian and New Zealand Standard, AS/NZS4360:2004. This process includes the use of a risk register. Risks and their management are monitored and reviewed at least quarterly by management and the risk register is updated accordingly.

The Company's risk management framework is intended to provide guidance in relation to effective risk management practice including policy considerations, structure, accountabilities, monitoring and reporting requirements across all of the Company's projects and operations. The framework is designed to seamlessly integrate risk management into strategic and business planning, entrenching the effective treatment of risk as part of the Company's culture. This involves the following core elements:

- the identification and assessment of risks and opportunities;
- the management of those risks and opportunities so as to provide a reasonable level of expectancy that risk levels will not exceed approved limits; and
- ongoing monitoring and communicating of risk associated with any activity, function or process.

The Managing Director reports to the Board, as a standard agenda item, on the following categories or risks identified through the risk management process:

- Sovereign risk
- Compliance
- Stakeholder relationships
- Human capital
- Market related
- Occupational Safety and Health
- Operational
- Strategic

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

The Managing Director and the Chief Financial Officer (or equivalent) 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 risk.

A summary of the Company's Risk Management Policy is available on the Company's website.

Signed 27 September 2011 for and on behalf of the Board in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Gilbert Rodgers', with a long horizontal stroke extending to the right.

Gilbert Rodgers
Executive Director (Finance)