

Corporate Governance Statement

30 September 2015

THE BOARD AND CORPORATE GOVERNANCE

The Company's Board is committed to protecting and enhancing shareholder value and conducting the Company's business ethically and in accordance with high standards of corporate governance. In determining those standards the Company has had reference to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition) ("ASX Recommendations") during the reporting period. The Company believes that its practices are substantially consistent with the ASX Recommendations and will continue to adapt its governance practices to be consistent with them and make changes as appropriate, having regard to the nature and scale of the Company's business.

A description of the Company's main corporate governance practices is set out below. These practices reflect the Company's existing corporate governance policies and is current as at 30 September 2015 other in respect of the Diversity reporting which is current as at 30 June 2015. This statement has been approved by the Board. Copies of the relevant policies are available in the corporate governance section of the Company's website at www.mtgibsoniron.com.au.

THE ROLE OF THE BOARD AND THE BOARD CHARTER

The Board operates in accordance with the broad principles set out in the Company's Board Charter, a copy of which is available from the Company's website. The Board is responsible for guiding and monitoring the performance of the Company on behalf of Shareholders, to whom they are accountable. Day to day management of the Company's affairs and the implementation of corporate strategies and policy initiatives are delegated by the Board to the Chief Executive Officer and the senior executives as set out in the Board Charter.

The Board Charter sets out the powers and responsibilities of the Board, including:

- charting the direction of the Company, formulating and adopting policies, strategies and financial objectives, and ensuring appropriate resources are available to management;
- monitoring the implementation of policies and strategies, and achievement of those financial objectives and performance against the strategic plan and budgets;
- monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- ensuring the preparation of accurate financial reports and statements; and
- encouraging a culture that promotes ethical and responsible decision-making, compliance with legal responsibilities and transparency through effective and timely disclosure.

Specific powers reserved to the Board in the Board Charter include:

- appointing, removing and monitoring the performance of the Chief Executive Officer and Company Secretary, determining their terms and conditions of employment and ratifying other key executive appointments and planning for executive succession;

- reviewing and approving systems of risk management and internal control and compliance, codes of conduct and legal compliance;
- reviewing and approving financial and other reporting;
- reviewing and approving major capital expenditure, capital management and acquisitions and divestitures; and
- approving the issue of any shares, options or other securities in the Company.

A statement on Board and management functions, which sets out those matters reserved to the Board and the roles and responsibilities of senior management, is in the Board Charter which is available on the Company's website.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for running the affairs of the Company under delegated authority from the Board and implementing the policies and strategy set by the Board. In carrying out his responsibilities, the Chief Executive Officer must:

- report directly to the Board;
- provide prompt and full information to the Board regarding the conduct of the business of the Company;
- comply with the reasonable directions of the Board; and
- have regard to the requirements of the ASX Listing Rules and expectations of stakeholders and the wider investment community.

The specific duties of the Chief Executive Officer are set out in the Board Charter.

CONFLICT OF INTEREST POLICY

The Board has adopted a Conflict of Interest Policy which establishes a protocol under which each Director is required to disclose certain interests and advise the Board in circumstances where a potential conflict of interest may arise. The Conflict of Interest Policy also sets out the procedures to be followed where the Chairman determines that a Director's interest in a matter may result in a conflict of interest occurring.

The Board has established a Contracts Committee to handle negotiations and disputes between the Company and its major shareholders regarding contractual matters such as offtake arrangements.

BOARD COMPOSITION

As at the date of this report the Company has six Directors. All are Non-Executive Directors, including the Chairman.

Board composition, size and structure will be reviewed annually to ensure that the Non-Executive Directors between them bring the range of skills, knowledge and experience necessary to direct the Company. The skills, knowledge and experience which the Board considers to be particularly relevant include qualifications and experience in the areas of mining, engineering and project management, accounting and finance, commodities, mergers and acquisitions. The Board is not considering the appointment of additional Directors at this time and considers that its current membership has an appropriate mix of the requisite skills, knowledge, experience and independence for current business needs.

The Board, with the assistance of the Nomination, Remuneration and Governance Committee ("NRGC"), regularly reviews its membership to ensure that it has the appropriate mix of skills and experience required to meet the needs of the Company. When a Board position becomes vacant or additional Directors are required, external professional advisers are engaged to assist with identifying potential candidates and to ensure that a diverse range of candidates is considered. The Company's policy and procedure for selection and appointment of new Directors is available on its website. The Company undertakes appropriate checks before appointing or putting forward a Director for election and shareholders

will be provided with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.

All Directors, excluding the Managing Director (if any), are required to retire and may stand for re-election by Shareholders, at the third Annual General Meeting (AGM) following their election or most recent re-election.

Details of skills, experience and relevant expertise for each Director in office, and the period for which each Director has held office, are set out in the Annual Report.

DIRECTOR INDEPENDENCE

The ASX Recommendations define an independent director as a director who is free of any interest, position, association or relationship that might influence – or could reasonably be perceived to influence in a material respect – his or her capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the entity and its security holders generally. The Board determines the independence of Directors.

As directed by the ASX Recommendations, the Board in assessing independence considers whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last 3 years, been a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is or has been, within the last 3 years, in a material business relationship (eg as a supplier or customer) with the Company or other group member, or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the Company or another group member other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

The Board has now determined that four of the six directors currently in office (Messrs Jones, Douglas, Barwick and Bird) are independent.

Having reference to the above factors, the Board has determined that the following Directors are not classified as independent:

- Our Chairman, Mr Lee is a non-executive director of APAC Resources Limited, which is a substantial shareholder and holds a controlling interests in a major offtake customer of the Group. Mr Lee is also an executive director of Allied Group Limited and Allied Properties (H.K.) Limited, both of which are deemed to be substantial shareholders of the Company.
- Mr Li Shao Feng is Chairman of Shougang Fushan Resources Group Limited, which is also a substantial shareholder and holds a controlling interest in a major offtake customer of the Group.

The length of service of each director is as follows:

- Mr Lee Seng Hui: 5 years
- Mr Simon Bird: 3 years
- Mr Li Shao Feng: 3 years
- Mr Alan Jones: 9 years

- Mr Russell Barwick: 3.5 years
- Prof. Paul Douglas: 3.5 years

CHAIRMAN AND LEAD INDEPENDENT DIRECTOR

Mr Lee Seng Hui, a representative of Mount Gibson's major shareholder, APAC Resources Limited, is currently Chairman and was appointed with the full support of the Board.

Mr Lee is considered a non-independent Director under ASX Corporate Governance Principles and Recommendations. The Recommendations suggest an independent Chair is preferable. The Board does not consider that independence of the Chair is essential in light of the objectives and current strategy of the Company and particularly where the Board has a majority of independent directors. However in recognition of the Recommendation the Company has enhanced its corporate governance structure in way consistent with ASX guidelines by appointing a Lead Independent Director. The role of the Lead Independent Director is to manage any actual or perceived conflict situations that might arise with having a non-independent Director as Chair. The Lead Independent Director currently appointed is Mr Simon Bird, who was appointed as an independent director of Mount Gibson in February 2012 and is also Chairman of the Audit and Financial Risk Committee.

COMPANY SECRETARY

The Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board. The role and responsibilities of the Company Secretary are set out in the Board Charter which is available on the Company's website.

TERMS OF APPOINTMENT

The Company now has signed letters of appointment with each of its Directors consistent with the ASX Recommendations. The Company has written agreements with each of its senior executive setting out the terms of their appointment. The letters of appointment set out matters such as term of appointment, remuneration and other entitlements, requirements to disclosure directors' interests, when directors may seek independent professional advice at the expense of the Company and other matters. These agreements, together with the Company's various charters and policies, make clear each individual's roles and responsibilities.

DIRECTORS' ACCESS TO INDEPENDENT ADVICE

The Company recognises that, from time to time, a Director may need to obtain independent expert advice in order to discharge that Director's duties. Any reasonable expenses incurred in obtaining that advice will be met by the Company, provided advance approval is obtained in accordance with the Board Charter. This approval is not to be unreasonably withheld.

PROFESSIONAL DEVELOPMENT OF BOARD MEMBERS

The Company has put in place induction procedures for new Directors of the Company and its controlled entities. A copy of the induction procedures is available on the Company's Website. In addition to these procedures, the Company provides appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

BOARD MEETINGS

The Board meets at least 6 times each year, and full Board meetings are usually held every 2 months. Meetings are convened outside the scheduled dates to consider issues of importance that arise from time to time. Board members

are encouraged to visit the Group's operations at least once per year. The Board has established a number of Committee's to support the Board function.

Directors' attendance at Board and Committee meetings are detailed in the Annual Report.

BOARD COMMITTEES

The Board has established an Audit and Financial Risk Management Committee, a Nomination, Remuneration and Governance Committee, a Contracts Committee, and an Operational Risk and Sustainability Committee.

Audit and Financial Risk Committee ("AFRC")

The AFRC is currently comprised of Simon Bird, Alan Jones, and Lee Seng Hui. Mr Bird is currently the Chair of the AFRC. The AFRC has a formal charter and usually meets 4 times during a financial year. A copy of the Charter is located on the Company's website. Committee members' attendance at AFRC meetings is detailed in the Annual Report.

The AFRC's overall role is to assist the Board in fulfilling its responsibilities for the Company's financial reporting and audit, internal control and financial risks. During the second half of the financial year the Board suspended the internal audit function as a part of broader cost saving initiatives reflecting the reduce scale of business operations at Talling Peak and Koolan Island, as well as the deterioration in business conditions generally for the Company. The AFRC will continue to monitor whether it is appropriate to reinstate the internal audit function as the businesses circumstances change over time.

The AFRC's specific responsibilities include:

- Assist the Board to meet its oversight responsibilities in relation to:
 - (i) the Company's financial reporting obligations;
 - (ii) compliance with legal and regulatory requirements in relation to financial matters, including accounting standards;
 - (iii) financial internal control structure;
 - (iv) financial risk management procedures;
 - (v) the internal audit function where operations; and
 - (vi) external audit functions.
- Oversee the Company's relationship with the internal and external auditors (as applicable) and those audit functions generally.
- Oversee the preparation of the financial statements and reports to ensure that they are fair and accurate and comply with the requirements of the Corporations Act and the applicable accounting standards.
- Monitor the Company's financial controls and systems to ensure that they are in place and operating effectively.
- Manage the Company's processes of identifying and managing financial risk and review the Company's effectiveness in doing so.

The Chief Executive Officer, Chief Financial Officer, internal and external auditors (as applicable) normally attend AFRC meetings however there are occasions where there are meetings just between the auditors and Committee members.

Information on the procedures for selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is set out in the Company's Policy on External Audit. Copies of these policies, together with a summary of the Company's risk policy are located on the Company's website.

Nomination, Remuneration and Governance Committee ("NRGC")

The NRGC is currently comprised of Alan Jones, Russell Barwick, and Lee Seng Hui. Mr Jones is currently the Chair of this Committee.

The NRGC has a formal charter and normally meets at least 4 times during a financial year. A copy of the Charter is located on the Company's website. Committee members' attendance at NRGC meetings is detailed in the Annual Report.

The NRGC's specific responsibilities include:

- reviewing and recommending to the Board the size and composition of the Board;
- reviewing and recommending succession plans to the Board;
- recommending prospective candidates for appointment to the Board;
- recommending and assisting in the implementation of the process for Board and Director evaluation;
- making recommendations to the Board on remuneration of Directors and senior executives;
- ensuring the performance of the Chief Executive Officer is reviewed by the Chairman as provided in the Remuneration Policy; and
- review and implementation of corporate governance policies.

Details of the structure of Directors' and senior executives' remuneration are set out in the Directors' Report.

Operational Risk and Sustainability Committee ("ORSC")

The ORSC was established as part of the Company's governance review and in particular to enhance the risk management process for the Company in respect of operational matters. The ORSC is currently comprised of Russell Barwick, Paul Dougas, and Simon Bird. Mr Barwick is currently the Chair of this Committee.

The ORSC has a formal charter and normally meets at least 4 times during a financial year. A copy of the Charter is located on the Company's website. Committee members' attendance at ORSC meetings is detailed in the Annual Report.

The ORSC's specific responsibilities include:

- assisting the Board to monitor and understand the Company's business and operations so as to assess if operating risks and sustainability actions are being managed;
- monitoring operational risks and sustainable performance associated with occupational health and safety, environment, development, community and stakeholder relationships, human resources management and optimisation, legal and regulatory compliance, geological resources and reserves, mining, geotechnical, transport and infrastructure, marketing and business risk; and
- reviewing and reporting to the Board as to whether the risk management program is operating effectively, including identification of risk, management of risks, remedial actions for areas of weakness, and auditing processes.

As noted above, a summary of the Company's risk policy is located on the Company's website.

Contracts Committee ("CC")

The CC was established during the financial year 2011/2012 as part of the Company's governance review to provide an independent Committee to oversee management's interaction with substantial shareholders regarding areas of major contractual negotiation and disputes. The Committee is comprised of independent Directors including Paul Dougas, Alan Jones, Russell Barwick, and Simon Bird. Mr Dougas is currently the Chair of this Committee.

The CC has a formal charter and historically met at least two times during a financial year. Going forward the CC has agreed to reduce the scheduled meetings to one time during a financial year with the ability to call special purposes

meetings if required. The reason for this change is to reflect that the key contractual relationships with substantial shareholders are at an end, with Talling Peak having ceased operations, and Koolan Island now coming to conclusion.

A copy of the Charter is located on the Company's website. Committee members' attendance at CC meetings is detailed in the Annual Report.

The CC's specific responsibilities include:

- overseeing the work of management in managing and resolving issues and disputes arising as between the Company and substantial shareholders;
- engaging with substantial shareholders to ensure there is a common understanding of the relationship and business dealings; and
- handling all matters in a balanced and sensitive manner with proper regard to the overall best interests of the Company and all shareholders.

CORPORATE REPORTING

The Chief Executive Officer and Chief Financial Officer have made the following declarations to the Board with respect to the 2015 accounts:

- that the financial records of the Company have been properly maintained;
- that the financial statements and notes give a true and fair view of the financial position and performance of the Company and Group and comply with the Corporations Act 2001 and relevant accounting standards; and
- that the above statements are 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.

These declarations will now also be given in respect of half yearly reports.

SECURITIES DEALING POLICY

The Company has a policy imposing restraints on Directors and Key Management Personnel dealing in the Company's securities. The policy is aimed at minimising the risk of Directors and Key Management Personnel contravening insider trading laws, ensuring the Company is able to meet its reporting obligations under the ASX Listing Rules and increasing transparency with respect to trading in the Company's securities by Directors and Key Management Personnel. A copy of this policy is located on the Company's website.

Under the policy, Key Management Personnel must not at any time engage in short-term trading in securities of the Company. Executives are prohibited from entering into arrangements to protect the value of unvested entitlements under equity-based remuneration plans.

INDEMNITIES

The Company has entered into deeds of access, indemnity and insurance with each Director. These deeds provide:

- rights of access to Company documentation,
- rights of indemnification against liability arising from conduct of the Company's and Group's business; and
- commitments that the Company will provide Directors' and officers' liability insurance coverage,

subject in all cases to limitations imposed by law.

DIRECTORS' AND SENIOR EXECUTIVES' PERFORMANCE EVALUATION AND REMUNERATION

During the reporting period the Board commenced a formal process for evaluating the performance of the Board, its Committees and individual Directors. The performance evaluation process is normally completed by September 2015.

The process for review involved Board members responding to a series of questions and those answers being compiled into a report so as to identify areas of strength and weakness with the objective of improving the overall performance of the team. The evaluation process involved questions directed at both individual and team performance.

In conjunction with the Chief Executive Officer, the NRGC annually evaluates the performance of senior executives against both financial and non-financial, corporate and individual performance measures. For the reporting period, the NRGC undertook a review of the Chief Executive Officer and all the senior executives against these performance measures. The review was completed in August 2015. Further information about the performance measures are detailed in the remuneration report contained within the Annual Report.

The Company's Remuneration Policy sets out the Company's policies and practices regarding remuneration of directors and senior executive. A copy of the Remuneration Policy is available on its website.

CONTINUOUS DISCLOSURE, SHAREHOLDER COMMUNICATIONS AND INVESTOR RELATIONS

The Company has established a Continuous Disclosure policy, identifying the procedure for executives in identifying material price sensitive information and reporting that information to the Company Secretary for review. The Company Secretary has primary responsibility for ensuring that ASX disclosure requirements are met.

The Company has also adopted a policy for Shareholder Communications in order to promote effective communication with shareholders and encourage participation at the Company's annual general meeting. Separately the Company has a dedicated investor relations function to oversee effective two way communications with existing and potential future investors. Such communications are managed in way that is consistent with the Company's ASX disclosure obligations.

Copies of the Continuous Disclosure and Shareholder Communications policies are located on the Company's website.

Shareholders may elect to receive company reports by mail or e-mail, and similar options exist for communications with the Company's share registry Computershare. Shareholders have the ability to send communications to the Company and share registry electronically.

RISK MANAGEMENT

The Company recognises that there are multiple risks inherent in everything it does, including financial, operational, safety, legal and compliance, geotechnical, and environmental risks, including loss of opportunities, all of which may impact the success of the business.

The Company is committed to developing and maintaining a risk management system that effectively identifies and controls all areas of substantial risk to the business.

The Company is committed to ensuring risk management is integrated across the business.

The key elements of the Company's Risk Management Policy include:

- identifying and ranking key business risks based on approved risk ranking criteria;
- developing policies and procedures to identify, manage, control and report key risks;
- provide for remedial action and auditing process;
- having adequate crisis management and business continuity plans;
- insurance programs to transfer residual risk; and
- reporting to the Board of high level risks.

The Board has delegated responsibility to the AFRC (financial risks) and OSRC (operational and other risks) to review and report to the Board that:

- the Company's ongoing risk management program has effectively identified all areas of material business risk during the financial year;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The relevant committees have reviewed the Company's risk management framework and have reported on the above periodically during this financial year.

The Company has in place specific policies and programs addressing certain strategic, financial, operational and compliance risks. Comprehensive reports addressing each of these areas are provided regularly to management and the Board. Controls are in place to ensure that the Company's risks are managed effectively and the integrity of its financial reporting is preserved, including:

- an annual budgeting process with at least monthly reporting against performance targets;
- Board approved delegated authority limits that set out authority levels for expenditure and commitments for different levels of management within the Company;
- a Financial Risk Management Policy, which establishes a risk management framework and procedures for the effective management of the Company's financial risks, including management of investment of surplus cash and foreign currency;
- a capital approval process that controls the authorisation of capital expenditure and investments; and
- a crisis and emergency management system designed to address emergencies at any of the Company's operating sites.

A summary of the Risk Policy is on the Company website.

Environmental and Sustainability Risks

The Company has published a detailed annual Sustainability Report which is available on the Company's website. The Sustainability Report provides a high level overview of the Company's different environmental and sustainability risks and how the Company manages those particular risks and the resources dedicated to doing so. Key environmental risks arise with ensuring effective implementation closure and rehabilitation plans, controls over land clearing, prevention of fuel spills, and controls over dust emissions, noise emissions, effluent and waste. Management plans and controls are in place to manage each of these particular risks. Other areas of sustainability risk relate to ensuring a safe work environment for all employees and contractors and this is achieved through cultural change, ongoing improvements to safety systems, training and emergency preparedness. All are a major focus for the business. Other sustainability risk areas relate to the management of people and engagement of local communities and these are detailed in the Sustainability report.

Economic risks

The Company also has a number of substantive economic risks some of which are already described in the notes to the accounts within the Annual Report. By way of summary the Company considers the following tabled risks to be the most important economic risks for the business.

Economic Risk	Mitigating Factors/Management Approach
Fall in realised prices	<ul style="list-style-type: none"> • Consistent monitoring and forecasting of total cash flows. • Scenario planning and budgeting. • Foreign exchange hedging policy
Customer defaults	<ul style="list-style-type: none"> • All ore sales are supported by letters of credit or unconditional bank guarantees. • Diligent customer selection, communication and maintenance of existing relationships.
Shiploader destruction or failure	<ul style="list-style-type: none"> • Established berthing procedures and piloting arrangements in place. • Critical spares inventory is carried for certain loader components. • If required arrangements with other port users could be negotiated or temporary transshipping/barging arrangements could also be put in place. • Established engineering contractor relationships which could be called upon for the purpose of fast-tracking shiploader rebuilds.
Train unloader failure (Geraldton Port)	<ul style="list-style-type: none"> • Critical spares are carried by the Port. • Alternative unloading and haulage arrangements may be possible, including with the use of third party facilities.
Train derailment	<ul style="list-style-type: none"> • Mount Gibson has established relationships with above and below ground rail operators whereby any rail or train repairs would be quickly identified, assessed and commenced. • Interim trucking work-around arrangements are possible, as has been undertaken in the past.
Crusher failure	<ul style="list-style-type: none"> • Mount Gibson undertakes regular maintenance and check testing on its crushing units. • Critical spares inventories are maintained and backup contract crushing facilities can be arranged. • Crushed ore stockpiles are available at both Tallering Peak and Extension Hill.
Regulatory shutdowns (e.g. environmental spill)	<ul style="list-style-type: none"> • Mount Gibson has an established emergency response capability at all sites, with training undertaken regularly for various incidents including marine spills. • The Company has established OH&S functions and reporting systems to identify environmental and licensing issues and is able to act promptly to resolve any matters arising.

AUDITORS

The external auditor attends the annual general meeting and is available to answer shareholder questions about the conduct of the audit, the preparation and content of the auditor's report and the independence of the auditor in relation to the conduct of the audit.

Shareholders also have a right to submit written questions to the external auditor (via the Company) in advance of the annual general meeting, in relation to the contents of the audit report or the conduct of the audit for the relevant year.

Internal audit function

Until recent times the Company has had an internal audit function in place and had done so for over 4 years. In late 2014, the delivery of this function was outsourced to an independent service provider which reported functionally to the Chief Financial Officer and regularly to the AFRC. This service provider's internal audit methodology was fully compliant with prevailing International and Australian Standards on Internal Audit. The Company's external statutory auditor does not provide internal audit services to the Company.

Following the cessation of production from two of the Company's three mines, combined with declining iron ore prices and the Company's focus on costs, the internal audit function was suspended during the reporting period pending a future reassessment.

While the internal audit function was operating, the work was undertaken using a risk-based annual internal audit plan developed by the independent service provider in conjunction with management and the AFRC. This plan focused upon the assessment of significant risks, processes, systems and regulatory requirements where assurance was determined to be a priority for the period concerned. Management and the AFRC received regular reports on specific processes and controls reviewed, highlighting key findings, associated risks and their impact. Following receipt of these reports, management agreed related actions to address the findings identified.

During the period that the internal audit function remains suspended, the Company continues to review its key risks, including those related to internal controls, on an "as needed" basis, with changes to internal processes and controls being made by management as appropriate. From a financial and accounting perspective, controls are reviewed on an ongoing basis, and are focussed primarily on those areas including daily movement of cash balances and cash investments, sales receivables and letters of credit, inventory control systems for ore stockpiles and consumables, authorisation controls around asset purchases, registers and maintenance procedures, annual impairment testing of stockpiles and mine properties, use of external tax advisors and updating of tax effect accounting entries at each balance date, accounting systems to track and manage trade creditors and accruals, monthly reconciliation of equipment hire leases, periodic tracking of provisions for employee entitlements and rehabilitation, and ongoing legal review of major contracts.

ETHICAL STANDARDS AND CONDUCT

The Company has an Employee Code of Conduct providing a framework of principles for conducting business and dealing with stakeholders. Employees are required to perform and act with integrity, fairness and in accordance with the law and to avoid real or apparent conflicts of interest. In addition, the Company has also established a Board Code of Conduct for Directors, which establishes guidelines for their conduct in carrying out their duties. Copies of both Codes of Conduct are located on the Company's website.

DIVERSITY

The Company wishes to be recognised as an organisation that welcomes diversity and is committed to equality at all levels. The Company has established a diversity policy during the reporting period and this is now published on the Company's website. The Company is committed to equality at all levels. Diversity includes, but is not limited to, diversity in gender, age, ethnicity and cultural backgrounds.

The Board has set measurable objectives for achieving gender diversity during the period in accordance with the diversity policy and these are provided in the table below, together with performance.

The percentage of women employees in the whole organisation as at 30 June 2015 was 18%. There are no female members presently on the Board.

Gender Diversity Targets - Measurable objectives

Measurable Objective	Target FY2015	Actual	Comments
Female employees in Mt Gibson	20%	18%	Below target however an increase from previous performance of 16%. In line with the mining industry female participation
Female employees in executive and senior management roles	20%	21%	Target achieved with an increase from the previous result of 16.3%. The result remains ahead of females in executive and senior management positions in the mining industry of 13.8% as previously reported by WGEA
Female members on the Board	1	0%	The reduction in overall number of Board directors continues to make this target challenging.