

CORPORATE GOVERNANCE STATEMENT

The Board Zamia Metals Limited (ZGM) is committed to achieving and demonstrating the highest standards of corporate governance for the Company.

Zamia Metals Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendation (3rd edition) (CGPR) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement reflects the corporate governance practices in place during the 2015 financial year. The 2015 corporate governance statement was approved by the Board on 24 September 2015. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at (www.zamia.com.au).

The principles contained in the CGPR are set out below.

Principle 1: Lay Solid Foundations for Management and Oversight

A listed entity should establish and disclose the respective roles and responsibilities of the board and management and how their performance is monitored and evaluated.

Recommendation 1.1

A listed entity should disclose

- (a) the respective roles and responsibilities of its board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

Disclosure

The Board's role is to govern the Company rather than to manage it. In governing the Company the Directors must act in the best interests of the Company as a whole. The role of Chief Executive Officer is to manage the Company in accordance with the direction and delegations of the Board; the responsibility of the Board is to oversee the activities of the Chief Executive Officer in carrying out these delegated duties.

The key responsibilities of the Board are:

- the oversight of the Company including its control and accountability systems;
- establishing, monitoring and modifying corporate strategies and performance objectives;
- ensuring that appropriate risk management systems, internal compliance and control, reporting systems, codes of conduct, and legal compliance measures are in place;
- monitoring the performance of management and implementation of strategy, and ensuring appropriate resources are available;
- approving and monitoring of financial and other reporting;
- approving dividends, major capital expenditure, acquisitions and capital raising/restructures; and;
- appointment and removal of Directors, Company Secretary and senior management.

Directors' actions are governed by the Company's Constitution and the Corporations Act.

The Board has delegated to the Chief Executive Officer, and through that officer to other senior management, the authority and responsibility for managing the everyday affairs of the Company.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (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.

Disclosure

Appropriate checks are undertaken prior to appointing a person as a Director and recommending that person for election. These include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Candidates who the Board consider are suitable for appointment as Directors are appointed by the Board and stand for election at the next Annual General Meeting (AGM), in accordance with the Constitution. The Company includes in the Notice of Meeting for the AGM all material information known to the Company which is relevant to a decision whether or not to elect or re-elect a Director. This information includes biographical information, details of other material directorships currently held by the candidate, any adverse information revealed by the checks performed, a statement as to whether in the Board's opinion the candidate will qualify as an independent Director and a statement by the Board as to whether it supports the election or re-election of the candidate.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure

The Company has written agreements with each of the Directors and senior executives setting out the terms of their appointment.

Recommendation 1.4

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.

Disclosure

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 Company Secretary is responsible for facilitating good information flows within the Board and its Committees and between senior executives and Directors, as well as the induction of new Directors and the ongoing professional development of all Directors. The Company Secretary is responsible for monitoring compliance with the Board's procedures and for advising the Board, through the chairman, on all governance matters. All Directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board.

Recommendation 1.5

A listed entity should:

- (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:
 - (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.

Disclosure and Departure

While the Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals, no decision has been made by the Board at this time to formulate a specific diversity policy.

The Board has not yet established objectives in relation to gender diversity but is committed to a continuation of current employment practices where employees and new Directors are selected on merit. The aim is to achieve greater gender diversity in director and senior executive positions as they become vacant and appropriately skilled candidates become available.

Recommendation 1.6

A listed entity should:

- (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

Disclosure and Departure

The Board currently has no formal procedure for evaluation of its Board, Committee and Directors. The Board considers that it is functioning effectively given its composition and a formal procedure is not required at this stage. While no formal performance evaluation was undertaken during the reporting period, the Chairman continually monitors the performance of the Board.

Selection and (re)-election of Directors candidates for the Board are considered and selected by reference to a number of factors, which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the following 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 AGM of the Company following the Director's appointment, or three 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 AGM a third of the total number of Directors, must retire. A Director who retires at an AGM is eligible for re-election at that meeting.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure and Departure

The Company does not have a formal process for periodically evaluating the performance of its senior executives. However the Chief Executive Officer monitors the performance of senior executives.

Principle 2: Structure the Board to Add Value

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee 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;
 - (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
- (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 the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure and Departure

The Company does not have a Nomination Committee as the Directors believe that size of the Company and the Board does not warrant the formation of such committee. All Board nomination matters are considered by the whole Board.

The Board oversees the appointment and induction process for Directors and Committee members, and the selection, appointment and succession planning process of the Company's executive management team. The appropriate skill mix, personal qualities, expertise and diversity are factors taken into account in each case. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the required skills.

Recommendation 2.2

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.

Disclosure and Departure

The Company currently does not have a Board "skills matrix". Given the size and scope of the Company's operations, and its exploration and development stage, the Board considers that it is appropriately-structured, with a suitable mix of skills and expertise, relevant to the Company's current business. As the Company expands and develops its activities, the Board will be required to review and restructure its composition to meet the specific expertise and skill requirements to enable the Company to meet its objectives moving forward.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report of this Annual Report.

Recommendation 2.3

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.

Disclosure and Departure

As at 30 June 2015 the Board comprised five Directors including the Chairman and two of whom are not independent as disclosed below.

Director	Reason for Non-Independent Classification
Qiang Chen	A substantial shareholder and a Non-Executive Director of the Company from 6/11/2008-present
Jiniu Deng	A substantial shareholder and a Non-Executive Director of the Company from 4/10/2013-present

Even though all the members of the Board are not independent, the persons on the Board can and do make independent judgements in the best interests of the Company at all times

Statement concerning availability of independent professional advice

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 Chairman for incurring such an expense, the Company will pay the reasonable expenses associated with obtaining such advice.

The length of service of each Director is as follows:

Dates	Board Members	Independent/Non-Independent
21/05/2007-current	Ken Maiden	Independent
4/10/2013-current	Jiniu Deng	Non-Independent
6/11/2008-current	Qiang Chen	Non-Independent
1/8/2006-current	Andrew Skinner	Independent
21/10/2013-21/7/2015	Richard Keevers	Independent

As disclosed two of the Directors of the Company are independent.

The Board supports the appointment of Directors who bring a wide range of business and professional skills and experience to the Company. Directors are appointed in accordance with the constitution of Zamia Metals Limited and are appointed for a period of three years or until the third annual general meeting following his or her appointment (whichever is longer).

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Disclosure and Departure

A majority of the Board are independent Directors with two or the four Directors being independent.

Recommendation 2.5

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.

Disclosure

The Chairman of the Company, Andrew Skinner, is an Independent Director and is the CEO. He contributes to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board.

Recommendation 2.6

A listed entity should have a programme 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.

Disclosure

An induction programme for new Directors of the Company is in place. Each Director of the Company has the right to seek independent professional advice at the expense of the Company, and 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. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3- Act Ethically and Responsibly

A listed entity should act ethically and responsibly.

Recommendation 3.1

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

Disclosure and Departure

The consolidated entity recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics. All Directors and employees are required to act in accordance with the law and with the highest standard of propriety.

The Company has a Code of Ethics and Conduct for Directors which is included in the Directors' Information Kit provided to all Directors on appointment and is disclosed on the website under the section marked "Corporate". This code provides guidance to Directors and management on practices necessary to maintain confidence in the integrity of the Company.

Directors are required to adhere to industry standards in conduct and dealings. The Company has built a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures.

The Board also requires employees and consultants working for the Company to display high standards of ethical behaviour and integrity.

Contractors and others employed by the Company should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company.

The practices of the Board are aimed at promoting ethical and responsible decision making. The Board strives for good corporate governance and industry best practice. It specifically requires Directors and employees to:

- avoid situations which may give rise to a conflict of interest;
- avoid situations where they may gain any benefit which competes with the Company's business;
- read and confirm that they understand the Company's policies;
- comply with laws and regulations;
- properly use the Company's assets for legitimate business purposes; and
- maintain confidentiality in both the Company's business and the information of its clients and shareholders.

Each Director is required to disclose any interest which might create a potential conflict of interest with his or her duties as a Director or which might affect their independence.

There must be no conflict, or perception of a conflict, between the interests of any Company Director, officer or employee and the responsibility of that person to the stakeholders. All Directors, officers and employees may never improperly use their position for personal or private gain to themselves, a family member, or other associated person. Where a potential conflict exists, this should be disclosed to the Chairman prior to any dealings taking place.

Principle 4 – Safeguard Integrity in Corporate Reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee, which:
 - (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;
 - (4) the relevant qualifications and experience of the members of the committee; and
 - (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
- (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 processing for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure and Departure

The Company is not fully compliant with this principle as the committee has only two members. The Audit and Risk Committee has a independent chairman Andrew Skinner and a Non-Executive Director Qiang Chen. The Details of these Directors' qualifications and attendance at audit committee meetings are set out in the Directors' Report of the Annual Report under the heading "Directors' Meetings".

Members of the Committee have relevant qualification and experience in financial matters and have a good understanding of the industry in which the Company operates.

The Audit & Risk Committee plays a key role in assisting the Board with its responsibilities relating to accounting, internal control systems, reporting practices and risk management, and ensuring the independence of the Company auditor. The terms of reference for the Committee incorporate policies and procedures to ensure an effective focus from an independent perspective.

The Audit & Risk Committee oversees and appraises the quality of the audits conducted by the auditors and emphasises areas where the Committee believes special attention is required. The external auditors are Hall Chadwick. Hall Chadwick's appointment will be reviewed periodically in line with industry best practice. The Board believes in the ongoing assessment of our audit arrangements and will comply with any regulatory requirements to rotate the Company's external audit partner.

The Audit & Risk Committee also reviews the effectiveness of administrative, operating and accounting controls.

Recommendation 4.2

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.

Disclosure

Before it approves the Company's financial statements for a financial period, the Board receives from its CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards. The declaration also states that the financial records give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

Recommendation 4.3

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.

Disclosure

The Company ensures that its external auditor, Hall Chadwick, is invited to and attends its AGM each year and is available to answer questions that are relevant to the audit. At the Company's last AGM held on 18 November 2014, a Partner from Hall Chadwick Chartered Accountants attended and was available to answer questions.

Principle 5: Make Timely and Balanced Disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1

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.

Disclosure

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance, and they can be found under the section marked "Corporate" on the Company's website.

The Board considers and approves all disclosures necessary to ensure compliance with ASX Listing Rule disclosure requirements.

Principle 6: Respect the Rights of Shareholders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure

The Company provides information about itself and its governance to investors via its website www.zamia.com.au. The names, photographs and brief biographical information for each of the Company's Directors and senior executives can be found under the corporate section of the website. The Company has included on the Investor Centre section of its website links to copies of its ASX announcements, Financial Reports, Research Reports, Analyst Briefings and Shareholder Information.

Procedures have also been established for reviewing whether any material price-sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

The Company's contact details can also be found on the website.

Recommendation 6.2

A listed entity should design and implement an investor relations programme to facilitate effective two-way communication with investors.

Disclosure and Departure

The Company does not have a formal investor relations programme. However the Company actively engages with security holders meets with them upon request and responds to any enquiries. The Company also has ad hoc interaction with brokers, institutional investors, analysts and financial media.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure and Departure

The Company has no formal process in place to facilitate and encourage participation at meetings of security holders. Shareholders are however encouraged to participate at general meetings.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure

Security holders can email or otherwise contact the Company by visiting the 'Contacts section of the website where they can also find the Share Registry's electronic and other contact details.

Principle 7: Recognise and Manage Risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1

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;

(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

(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.

Disclosure and Departure

The Company has a combined Audit and Risk Committee, the membership of which is not fully compliant with this principle as it has only two members. The Audit and Risk Committee has an independent chairman Andrew Skinner with the other member Qiang Chen being non-independent. The members of the Committee have the necessary technical knowledge and understanding of the industry in which the entity operates to be able to discharge the committee's mandate effectively.

The details of these Directors' qualifications and attendance at audit committee meetings are set out in the Directors' Report of the Annual Report under the heading "Directors' Meetings".

The Board has disclosed the Charter of the Committee, which may be found on the Company's website under the section marked "Corporate". A summary of the Company's Risk Management objectives can also be found in this section. The Committee held 2 meetings during the Reporting Year. The table set out in the Directors' Report of this Annual Report under the heading "Directors' Meetings" shows the members' attendance at Committee meetings.

Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure

The Board, and the Audit and Risk Management Committee, review the Company's risk management framework at least annually to satisfy itself that it continues to be sound, and such a review was carried in the past financial year.

The Board has required management to 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.

Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (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.

Disclosure and Departure

Due to its size the Company does not have an internal audit function disclose. The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include the fact that all expenditure is approved by a Director or senior management in accordance with Board approved authority levels.

It is proposed that a member of the Audit and Risk Management Committee periodically review the Company's controls and spot-checks that the necessary procedures have been followed.

Recommendation 7.4

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.

Disclosure

The Company discloses its material exposure to economic, environmental and social sustainability risks, and how it manages those risks in ASX announcements and in its Annual Report.

Principle 8: Remunerate Fairly and Responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee 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;
 - (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
- (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.

Departure

Given the current size and composition of the Company a separate Remuneration Committee has not been established.

The Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee, and accordingly, the remuneration functions have been delegated to the Board. The Board deals with any conflicts of interest that may occur when acting in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

The processes the Company employs for setting the level and composition of remuneration for Directors and senior executives, and ensuring that such remuneration is appropriate are not excessive are disclosed in the Remuneration Report in the Company's Annual Report.

Recommendation 8.2

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.

Disclosure

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. 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 incentive to continue those efforts for the benefit of the Company.

Remuneration and bonuses for Executive Directors and senior executives consist of a base salary, and may consist of performance incentives. Long-term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered competitive base salaries at market rates, which are reviewed to ensure market competitiveness.

Recommendation 8.3

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.

Disclosure

The Company has an equity-based remuneration scheme and has a policy that participants are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

The Company's Policy for the Trading in Company Securities, which is available on the Company's website under the section, marked "Corporate." This policy includes a statement of the Company's policy on prohibited transactions and blackout periods re share transactions.