

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Pluton Resources Limited is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of Pluton Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the ASX Corporate Governance Council's Revised Principles and Recommendations.

Principles and Recommendations		Compliance	Comply
<b>Principle 1 – Lay solid foundations for management and oversight</b>			
<b>1.1</b>	Establish the functions reserved to the Board of directors (Board) of Pluton Resources Limited (Company) and those delegated to manage and disclose those functions.	<p>The Board is responsible for the overall corporate governance of the Company.</p> <p>The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.</p> <p>The Board has adopted a Delegations of Authority that sets limits of authority for senior executives.</p> <p>On appointment of a Director, the Company issues a letter of appointment setting out the terms and conditions of appointment to the Board.</p>	Complies.
<b>1.2</b>	Disclose the process for evaluating the performance of senior executives.	Senior executives prepare strategic objectives that are signed off by the Board. These objectives must then be met by senior executives as part of their performance targets. The CEO then reviews the performance of the senior executives against those objectives. The Board reviews the CEO's compliance against his and the Company's objectives. These reviews occur annually.	Complies.
<b>1.3</b>	Provide the information indicated in <i>Guide to reporting on Principle 1</i> .	A Board charter has been disclosed on the Company's website and is summarised in this Corporate Governance Statement.	Complies
			Complies

### Pluton Resources Limited

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Principles and Recommendations	Compliance	Comply	
	<p>A performance evaluation process is included in the Board Charter, which has been disclosed on the Company's website and is summarised in this Corporate Governance Statement. The Board did conduct a formal performance evaluation for senior executives in financial year.</p>	Complies	
<b>Principle 2 – Structure the Board to add value</b>			
<p><b>2.1</b></p> <p><b>2.2</b></p> <p><b>2.3</b></p> <p><b>2.4</b></p> <p><b>2.5</b></p>	<p>A majority of the Board should be independent directors.</p> <p>The chair should be an independent director.</p> <p>The roles of chair and chief executive officer should not be exercised by the same individual.</p> <p>The Board should establish a Nomination Committee.</p> <p>Disclose the process for evaluating the performance of the Board, its committees and individual directors.</p>	<p>As at the date of this statement, the Board comprises two independent and one executive director of the Company. Mr Malcolm Macpherson and Mr Russell Williams are both independent non-executive directors. Mr Tony Schoer is an executive director.</p> <p>Malcolm Macpherson is an independent non-executive director of the Board.</p> <p>Malcolm Macpherson is the chairman and Tony Schoer the chief executive officer.</p> <p>Given the size of the Board, it was determined that the Board will execute the functions of a nomination committee and that a separate nomination committee is unnecessary.</p> <p>The Company conducts the process for evaluating the performance of the Board, its Committees and senior executives/management as outlined in the Board Charter which is available on the Company's website. This includes supporting ongoing education of Directors for the benefit of the</p>	<p>Complies.</p> <p>Complies.</p> <p>Complies.</p> <p>Does not comply. Given the size of the Board, the Directors determined that it will execute the functions of a nomination committee and that a separate nomination committee is unnecessary. The Board considers the skills and experience of both the independent and non-independent directors allows the Board to act in the best interests of shareholders.</p> <p>Complies.</p>

Principles and Recommendations	Compliance	Comply
<p><b>2.6</b> Provide the information indicated in the <i>Guide to reporting on Principle 2</i>.</p>	<p>Company.            The skills and experience of each Director has been disclosed (where applicable) in the Directors' Report attached to this Corporate Governance Statement.            Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company.            A Director is considered independent when he substantially satisfies the test for independence as set out in the ASX Corporate Governance Recommendations.            Members of the Board are able to take independent professional advice at the expense of the Company.            Malcolm Macpherson, Non-Executive Chairman, was appointed to the Board on 1 January 2009 and is an independent director of the Company.            Russell Williams, Non-Executive Director, was appointed to the Board on 19 May 2010 and is an independent director of the Company.            Tony Schoer, Managing Director and Chief Executive Officer, was appointed to the Board on 1 July 2006.            The Board supports the nomination and re-election of the directors at the Company's forthcoming Annual General Meeting.</p>	<p>Complies</p>
<p><b>Principle 3 – Promote ethical and responsible decision making</b></p>		
<p><b>3.1</b> Establish a code of conduct and disclose the code or a summary of the code.</p>	<p>The Board has adopted a code of conduct. The code establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.            The code is available on the Company's website.</p>	<p>Complies in respect of establishing a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.</p>
<p><b>3.2</b> Companies should</p>	<p>The Board has undertaken a review of</p>	<p>Complies.</p>

Principles and Recommendations	Compliance	Comply
<p>establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p><b>3.3</b> Provide the information indicated in <i>Guide to reporting on Principle 3</i>.</p>	<p>the mix of skills and experience on the Board in light of the Company's principal activities and direction. The Company has adopted a Diversity Policy that considers the benefits of diversity, ways to promote a culture of diversity, factors to be taken into account in the selection process of candidates for board and senior management positions in the Company, education programs to develop skills and experience in preparation for board and senior management positions, and processes to include review and appointment of directors.</p> <p>The Board has adopted a code of conduct. The code establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. The Board has adopted a Diversity Policy and from FY2012, the Company will report in each annual report the measurable objectives for achieving gender diversity set by the Board.</p> <p>The Company has included in the Directors' Report the proportion of women employees and their positions held within the Company.</p>	<p>Complies.</p>
<b>Principle 4 – Safeguard integrity in financial reporting</b>		
<p><b>4.1</b> The Board should establish an audit committee.</p> <p><b>4.2</b> The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least 3</p>	<p>As at the date of this statement the Board does not have an audit and risk committee to focus on issues relevant to the integrity of the Company's financial reporting. The Company does have an audit and risk committee charter.</p> <p>As at the date of this statement, the Company did not comply with Recommendation 4.2 as there was no audit committee.</p> <p>The audit committee was in existence until the resignation of Mr Ray Schoer in February 2011, when it was determined that due to the size of the</p>	<p>Does not comply</p> <p>Given the size of the Board, the Directors determined that it will execute the functions of an audit committee and that a separate audit committee is unnecessary. The Board considers the skills and</p>

Principles and Recommendations	Compliance	Comply
<p>members.</p> <p><b>4.3</b> The audit committee should have a formal charter.</p> <p><b>4.4</b> Provide the information indicated in <i>Guide to reporting on Principle 4</i>.</p>	<p>Baord it would execute the functions of an audit committee.</p> <p>The Board has adopted an audit and risk charter. This charter is available on the Company's website.</p> <p>In accordance with the information suggested in <i>Guide to Reporting on Principle 2</i>, this has been disclosed in the Directors' Report attached to this Corporate Governance Statement and is summarised in this Corporate Governance Statement.</p> <p>The members of an audit and risk committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution. The audit and risk committee, when formally constituted, held two meetings during the period to the date of the Directors Report.</p> <p>The audit and risk charter, and information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners (which is determined by the audit committee), is available on the Company's website.</p>	<p>experience of both the independent and non-independent directors allows the Board to act in the best interests of shareholders.</p> <p>Complies.</p> <p>Complies.</p>
<b>Principle 5 – Make timely and balanced disclosure</b>		
<p><b>5.1</b> Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</p> <p><b>5.2</b> Provide the information indicated in the <i>Guide to reporting on Principle 5</i>.</p>	<p>The Company has adopted a continuous disclosure policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001.</p> <p>This policy is available on the Company's website.</p> <p>The Company's continuous disclosure policy is available on the Company's website.</p>	<p>Complies.</p> <p>Complies.</p>

<b>Principle 6 – Respect the rights of shareholders</b>			
<b>6.1</b>	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The Company has adopted a shareholder communications policy. The Company uses its website ( <a href="http://www.plutonresources.com">www.plutonresources.com</a> ), annual report, market announcements and media disclosures to communicate with its shareholders, as well as encourages participation at general meetings. This policy is available on the Company's website.	Complies.
<b>6.2</b>	Provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The Company's shareholder communications policy is available on the Company's website.	Complies.
<b>Principle 7 – Recognise and manage risk</b>			
<b>7.1</b>	Establish policies for the oversight and management of material business risks and disclose a summary of these policies.	The Company has adopted a risk management statement within the audit and risk committee charter. The audit and risk committee is responsible for managing risk; however, ultimate responsibility for risk oversight and risk management rests with the Board. The audit and risk charter is available on the Company's website and is summarised in this Corporate Governance Statement.	Complies.
<b>7.2</b>	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Company has identified key risks within the business. In the ordinary course of business, management monitor and manage these risks. Key operational and financial risks are presented to and reviewed by the Board at each Board meeting.	Complies.
<b>7.3</b>	The Board should disclose whether it has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance	The Board has received a statement from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal	Complies.

Principles and Recommendations	Compliance	Comply
<p>7.4 with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.</p> <p>Provide the information indicated in <i>Guide to reporting on Principle 7</i>.</p>	<p>control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.</p> <p>The Board has adopted an audit and risk charter which includes a statement of the Company's risk policies. This charter is available on the Company's website and is summarised in this Corporate Governance Statement.</p> <p>The Company has identified key risks within the business and has received a statement of assurance from the Chief Executive Officer and Chief Financial Officer.</p>	<p>Complies.</p>
<p><b>Principle 8 – Remunerate fairly and responsibly</b></p>		
<p>8.1 The Board should establish a remuneration committee.</p>	<p>The Board has not established a remuneration committee and has not adopted a remuneration charter.</p>	<p>Does not comply. Given the size of the Board, the Directors have determined that it will execute the functions of a remuneration committee and that a separate remuneration committee is unnecessary.</p>
<p>8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>	<p>The Company complies with the guidelines for executive remuneration packages and non-executive director remuneration. Ray Schoer, a non-executive director, received founder options prior to listing on the ASX that were not issued under an employment incentive scheme.</p>	<p>Complies. The issue of options to non-executive directors are considered founder options, issued prior to listing on the ASX.</p>

Principles and Recommendations	Compliance	Comply
8.3	Provide the information indicated in <i>the Guide to reporting on Principle 8</i> .	The Board has not adopted a remuneration committee charter. The Company does not have any schemes for retirement benefits other than superannuation for non-executive directors.
		Does not comply. Given the size of the Board, the Board has determined that it will execute the functions of a remuneration committee and that a separate remuneration committee is unnecessary. With respect to this compliance issue, the Board will review its position annually.

Pluton Resources Limited's corporate governance practices were in place for the financial year ended 30 June 2011 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Pluton Resources Limited, refer to our website:

<http://www.plutonresources.com>

## 1. BOARD FUNCTIONS

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The role of the Board of Pluton Resources Limited is as follows:

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company. This includes overseeing the financial and human resources the Company has in place to meet its objectives and the review of management performance;
- Protecting and optimising Company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- Responsible for the overall Corporate Governance of Pluton Resources Limited and its controlled entities, including monitoring the strategic direction of the Company and those entities, formulating goals for management and monitoring the achievement of those goals;
- Setting, reviewing and ensuring compliance with the Company's values (including the establishment and observance of high ethical standards);
- Ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the Chief Executive Officer (CEO);
- reviewing procedures in place for appointment of senior management and monitoring of its performance, and for succession planning. This includes ratifying the appointment and the removal of the Chief Financial Officer and Company Secretary;
- input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting;
- monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards and;
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Corporations Act.

Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a Chair;
- appointment and removal of the CEO;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- development and review of corporate governance principles and policies;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders and;
- any other specific matters nominated by the Board from time to time.

## 2. STRUCTURE OF THE BOARD

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The Company's constitution governs the regulation of meetings and proceedings of the Board.

The Board determines its size and composition, subject to the terms of the constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the company constitution.

While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. It is also intended that the Chair should be an independent Non-executive Director. The Board regularly reviews the independence of each Director in light of the interests disclosed to the Board.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with - or could reasonably be perceived to interfere with - the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence based on that set out in Principal 2 of the ASX Corporate Governance Revised Principals and Recommendations. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Pluton Resources Limited are considered to be independent:

Name	Position
Malcolm Macpherson	Chairman, non-executive
Russell Williams	Non-Executive Director

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Position	Term in Office
Tony Schoer	Chief Executive Officer	Appointed 1 July 2006
Malcolm Macpherrson	Non-executive Director	Appointed 1 January 2009
Russell Williams	Non-Executive Director	Appointed 19 May 2010

Further details on each director can be found in the Directors' Report attached to this Corporate Governance Statement.

### 3. DIVERSITY POLICY

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Pluton Resources Limited is committed to providing an inclusive workplace and recognizes the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences will bring to the Company. At the core of the Company's diversity policy is a commitment to equality and respect. Diversity is recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. People differ not just on the basis of race and gender, but also other dimensions such as lifestyle, education, physical ability, age and family responsibility.

Pluton trains and employs indigenous people from the Mayala People to assist in the exploration and development of Pluton's Irvine Island project north-west of Broome, WA. Pluton employs women across a broad cross-section of the Company's workforce including senior management positions.

### 4. Securities trading policy

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Under the Company's Guidelines for Dealing in Securities Policy, a Director or Company employee must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive or 'inside' information in relation to those securities.

Relevant Persons are permitted to buy or sell the Company's securities throughout the year except during the period up to 14 days preceding the following:

- the announcement of half-yearly financial results;
- the announcement of annual financial results; or
- the holding of a shareholders meeting;

and ending two days after the end of the day of the announcement of the company's financial results or the holding of the shareholders meeting to allow the market to absorb the contents of the announcement (Non Trading Period).

Outside of the Non Trading Period (before commencing to trade) a Director must first obtain the approval of the Chairman to do so; the Chairman must first obtain approval from the Board; and all other employees must inform and receive approval from the Company Secretary.

As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by Directors in the securities of the Company within five days of the transaction taking place.

The Securities Trading Policy has been issued to ASX and can be found on the Company's website

## 5. Audit and Risk Committee

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As at the date of this statement the Board does not have a formal Audit and Risk Committee. The Company does have a formal Charter approved by the Board and it is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

Until February 2011, when the Committee was disbanded in favour of the Board, following the resignation of Mr Ray Schoer, the members of the Audit Committee during the year were:

Ray Schoer (non-executive director) who is a FCPA, and Malcolm Macpherson (non-executive director) who holds a B.Sc.

Whilst operating as a separate Committee, the Audit and Risk Committee provided the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

For details on the number of meetings of the Audit and Risk Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

## 6. RISK

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The responsibility of overseeing risk falls within the charter of the Audit and Risk Committee. The Company identifies areas of risk within the Company and continuously undertakes a risk assessment of the Company's operations, procedures and processes. The risk assessment is aimed at identifying the following:

- a culture of risk control and the minimisation of risk throughout the Company, which is being done through natural or instinctive process by employees of the Company;
- a culture of risk control that can easily identify risks as they arise and amend practices;
- the installation of practices and procedures in all areas of the business that are designed to minimise an event or incident that could have a financial or other effect on the business and its day to day management; and

- adoption of these practices and procedures to minimise many of the standard commercial risks, i.e. taking out the appropriate insurance policies, or ensuring compliance reporting is up to date.

## 7. CEO AND CFO CERTIFICATION

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The Chief Executive Officer and Chief Financial Officer have provided a written statement to the Board that in their view:

1. the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
2. the Company's risk management and internal compliance and control system is operating effectively in all material respects.

## 8. PERFORMANCE

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The performance of the Board, its Committees and key Executives is reviewed regularly using both measurable and qualitative indicators.

On an annual basis, Directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria.

- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Feedback will be collected by the chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of Board performance review.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.

## 9. REMUNERATION

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It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and key Executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board, in assuming the responsibilities of assessing remuneration to employees, links the nature and amount of Executive Directors' and officers' remuneration to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives;

- attraction of high quality management to the Company; and
- performance incentives that allow Executives to share in the success of Pluton Resources Limited.

For a more comprehensive explanation of the Company's remuneration framework and the remuneration received by Directors and key Executives in the current period, please refer to the Remuneration Report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits to Non-Executive (or Executive) Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Chief Executive Officer and Executive team.