



CORPORATE GOVERNANCE STATEMENT 2021

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.czrresources.com under the section marked "Corporate Governance":

- a) Board Charter;
- b) Audit Committee Charter;
- c) Remuneration and Nomination Committee Charter;
- d) Code of Conduct;
- e) Board Performance Evaluation Policy;
- f) Diversity Policy;
- g) Continuous Disclosure Policy;
- h) Shareholder Communication Policy;
- i) Risk Management Policy;
- j) Related Parties Transaction and Conflicts of Interest Policy;
- k) Whistleblower Policy
- l) Security Trading Policy;
- m) Anti-Bribery and Corruption Policy; and
- n) Statement of Values

This Statement is current as at 6 September 2021 and has been approved by the Board.

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Principle 1: Lay solid foundations for management and oversight - A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- 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.

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a) setting and reviewing strategic direction and planning;
- b) reviewing financial and operational performance;
- c) identifying principal risks and reviewing risk management strategies; and
- d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Managing Director and the management team. The management team, led by the Managing Director is accountable to the Board.

Recommendation 1.2

A listed entity should:

- a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward 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.

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

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Recommendation 1.3

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

On appointment to the Board, all Directors and senior executives enter into written service agreement with the Company either in the form of a letter of appointment or a written employment agreement. The agreements require compliance with Company policies and terms of appointment, including compensation relevant to the office of Director or senior executive appointment.

Key terms of agreements are summarised in the Company's Remuneration Report within the Annual Report.

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.

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 the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- a) ensuring a good flow of information between the Board, its committees, and Directors;
- b) monitoring policies and procedures of the Board;
- c) advising the Board through the Chairman of corporate governance policies; and
- d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

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Recommendation 1.5

A listed entity should:

- a) have and disclose a diversity policy;
- b) through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- c) disclose in relation to each reporting period:
 - (i) the measurable objectives set for that period to achieve gender diversity;
 - (ii) the entity's progress towards achieving those objectives; and
 - (iii) either:
 - A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - B. 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.

The Company has a Diversity Policy, the purpose of which is:

- a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Pursuant to Recommendation 1.5 of the Recommendations, the Company discloses the following information as at the date of this Statement:

- Percentage of women and men employed within the Group - women: nil; men: 100%;
- Percentage of women and men in a senior management position - women: nil; men: 100%; and
- Percentage of women and men employed at the Board level - women: 40%; men: 60%.

The Company has defined an employee who is in a senior management position as a person who is a "senior manager" as defined in Section 9 (Definitions) of the Corporations Act 2001, namely a person who is at the highest management level of the Company who "makes, or participates in making decisions that affect the whole, or a substantial part, of the business of the corporation; or has the capacity to affect significantly the corporation's financial standing".

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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 for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

Each year it is planned that the Board will undertake the following activities:

1. The Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement.
2. The board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

Although nothing formally has been documented in regards to the above during the year, informally both items have been addressed during the year.

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Recommendation 1.7

A listed entity should:

- a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Chair will be responsible for evaluating the performance of the Company's Managing Director and the Company's Managing Director will be responsible for evaluating the performance of the Company's senior executives, both in accordance with the process disclosed in the process disclosed in the Company's Board performance evaluation policy.

A performance review of the Managing Director was planned to occur before end of September 2021 but in light of his recent resignation, no review will now take place.

The only other senior executive employed by the Company commenced on 16 March 2021 and has not completed a full year of service. As such no review is scheduled until after this has occurred.

Principle 2: Structure the board to be effective and add value – The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The board of a listed entity should:

a) have a nomination committee which:

has at least three members, a majority of whom are independent directors; and

is chaired by an independent director,

and disclose:

the charter of the committee;

the members of the committee; and

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.

Due to the current size and scope of the Company's operations the Company does not have a separate Nomination Committee as the Board considers efficiencies and other benefits would not be gained by the establishment of a separate Nomination Committee at present. The roles and responsibilities of a Nomination Committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a Nomination Committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a Remuneration and Nomination Committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

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Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Company does not currently have a skills or diversity matrix in relation to the Board members and is therefore not in compliance with ASX Recommendation 2.2. Given the size and scope of the Company's operations, the Board considers that its members have the appropriate and relevant mix of geological, legal, Government relations, equity market, financial and operational experience in the exploration and mining industry and is appropriately structured to discharge its duties in a manner that is in the best interests of the Company and its shareholders from both a long-term strategic and operational perspective.

The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.

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 or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

The name, position, independence classification, qualification, skills and length of service of each director of the Company during the financial year and up to the date of the Statement is included in the following table:



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Name	Position	Independence Classification	Qualification/Skills	Service (yrs)
Current Directors:				
David Flanagan	Non-Executive Chairman	Independent	Geologist	1.5
Robert Ramsay	Managing Director	Non Independent	Geologist	8.75
Simon Jackson	Non-Executive Director	Independent	Chartered Accountant	1.75
Anna Neuling	Non-Executive Director	Independent	Chartered Accountant	1
Annie Guo	Non-Executive Director	Non Independent	Resource Investments and Finance	0.75
Directors who have resigned during the Period:				
Wayne Bramwell	Non-Executive Director	Non Independent	Metallurgist	0.25
Adam Sierakowski	Non-Executive Director	Independent	Corporate Lawyer	10
Stephen Lowe	Non-Executive Director	Non Independent	Business Management and Taxation	10

For the reasons stated below certain directors are assessed as not being independent under the independence criteria detailed in Recommendation 2.3 of the Recommendations:

- 1) Robert Ramsay is currently employed as an executive and is Managing Director of the Company;
- 2) Annie Guo is an appointee director and an employee of the Creasy Group, a controlling shareholder of the Company;
- 3) Wayne Bramwell was during the time of his appointment as a director an appointee director and an employee of the Creasy Group, a controlling shareholder of the Company;
- 4) Adam Sierakowski was a shareholder and director of Trident, a provider of material professional services to the Company
- 5) Stephen Lowe was a former appointee director and an employee of the Creasy Group, a controlling shareholder of the Company.

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Recommendation 2.4

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

For the period 1 July 2020 to 2 November 2020 the Company had three board members out of 5 who were not considered independent and therefore the majority of the Board was not considered independent. Since 3 November 2020 a majority of Board members have been independent.

Previously, the Board considered that membership of the Board weighted towards technical expertise was appropriate given the stage of the Company's operations and accordingly it was not necessary to have a majority of independent directors.

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.

The Company's Chairman, Mr David Flanagan is an independent director and Dr Robert Ramsay is the Managing Director.

Recommendation 2.6

A listed entity should have a program for inducting new directors and periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

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Principle 3: Instil a culture of acting lawfully, ethically and responsibly – A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed entity should articulate and disclose its values

The Company is committed to adhering to a set of values and fundamental principles (Statement of Values). The Statement of Values informs the Board, senior executives and all other employees on the required standards of behaviour, defines the culture of the Company, informs the Company's strategy and guides the Company's operational practices, including the way it interacts with its stakeholders, employees and suppliers. The Company's Statement of Values is disclosed on the Company's website.

Recommendation 3.2

A listed entity should:

- a) have and disclose a code of conduct for its directors, senior executives and employees; and
- b) ensure that the board or committee of the board is informed of any material breaches of the code.

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

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Recommendation 3.3

A listed entity should:

- a) have and disclose a whistleblower policy; and
- b) ensure that the board or a committee of the board is informed of any material incidents reported under the policy.

The Company has a Whistleblower Policy which aims to further the Company's commitment to maintaining high ethical standards of conduct and to encourage the reporting of any instance of suspected unethical, illegal, fraudulent or undesirable conduct which contravenes the Code of Conduct. The Whistleblower Policy also ensures that persons who make a report in good faith can do so without fear of intimidation, disadvantage or reprisal. All material breaches of the Whistleblower Policy are reported to the Board. A copy of the Company's Whistleblower policy is disclosed on the Company's website.

Recommendation 3.4

A listed entity should:

- a) have and disclose an anti-bribery and corruption policy; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Company has an Anti-Bribery and Corruption Policy which provides guidance and sets out the Company's commitment to conducting its business ethically and with honesty and integrity, with a "zero-tolerance" approach to bribery and corruption. All material breaches of the Anti-Bribery and Corruption Policy are reported to the Board. A copy of the Company's Anti-Bribery and Corruption Policy is disclosed on the Company's website.

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Principle 4: Safeguard the integrity of corporate reports – A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The board of a listed entity should:

a) have an audit committee which:

has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

is chaired by an independent director, who is not the chair of the board,

and disclose:

the charter of the committee;

the relevant qualifications and experience of the members of the committee; and

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 processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Due to the current size and scope of the Company's operations the Company does not have a separate Audit Committee as the Board considers efficiencies and other benefits would not be gained by the establishment of a separate audit committee at present. The roles and responsibilities of an audit committee are currently undertaken by the Board.

The full Board in its capacity as the Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the Audit Committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. It is the auditor's policy to rotate engagement partners on listed companies at least every five years. The performance of the external auditor is also reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

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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.

Before the Board approves the Company financial statements for each financial period it will receive from the Managing Director and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external audit.

The Company's external auditor reviews the annual Directors' Report, annual Remuneration Report, and the annual and half yearly Financial Statements. The balance of periodic corporate reports, including Quarterly Reports, the annual Corporate Governance Statement, and the annual Reserves and Resources Statement, are subject to a rigorous internal review process with individual sign offs by the relevant functional areas.

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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 have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company is committed to:

- a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Continuous Disclosure Policy, which is disclosed on the Company's website. The Continuous Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Company makes ASX Announcements available to Directors promptly after receiving confirmation from the ASX that an announcement has been released to the market.



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Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Company releases announcements and presentation materials containing new or market sensitive material to the ASX prior to the time of the corresponding presentation to analysts, investors or conference.

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Principle 6: Respect the rights of security holders – A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

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

The Company provides information about itself and its governance to investors via its website at www.czrresources.com. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- a) relevant announcements made to the market via ASX;
- b) media releases;
- c) investment updates;
- d) Company presentations and media briefings;
- e) copies of press releases and announcements for the preceding three years; and
- f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company has a Shareholder Communication Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- a) reports to Shareholders;
- b) ASX announcements;
- c) annual general meetings; and
- d) the Company website.

This Shareholder Communication Policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.



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Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation. As a matter of practice, in its notices of meeting, the Company encourages those shareholders who cannot attend general meetings in person to appoint proxies on their behalf.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

All substantive resolutions are decided by a poll at general meetings of the Company.

Recommendation 6.5

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

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

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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:

has at least three members, a majority of whom are independent directors; and

is chaired by an independent director,

and disclose,

the charter of the committee;

the members of the committee; and

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.

Due to the current size and scope of the Company's operations the Company does not have a separate Risk Committee as the Board considers efficiencies and other benefits would not be gained by the establishment of a separate Risk Committee at present. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a Risk Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities in relation to the risk management system of the Audit Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- a) operational risk;
- b) financial reporting;
- c) compliance / regulations; and
- d) system / IT process risk.

A risk management model is being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

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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 that the entity is operating with due regard to the risk appetite set by the board; and
- b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board reviews all recommendations from management.

Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value.

Although during the financial year the Board discussed and identified material risks, no formal review was undertaken during the year and as such the Company is not in strict compliance with this ASX Recommendation. The Board considers that, given the current size and scope of the Company's operations, efficiencies or other benefits would not be gained from establishing measures beyond that described above.

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 governance, risk management and internal control processes.

The Company does not currently have an internal audit function and instead this function is undertaken by the full Board.

The Company has adopted internal controls procedures including:

- a) managing activities within budgets and reviewing budgets and operational plans at board meetings;
- b) approval of all invoices in accordance with a Board approved expenditure limit authorisation matrix;

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- c) visits to the Company's exploration project areas to review the geological practices including the environmental and safety aspects of the Company's operations on an as required basis.
- d) Continuous internal monitoring of the Company's licences and permits to ensure timely renewal of licences and permits.
- e) Appraisal procedures and due diligence requirements, both geological and legal, for potential acquisitions, divestments and or joint ventures.
- f) Reliance on auditor reviews and senior management declarations.

The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company's operations.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company is focused on the discovery and exploitation of mineral deposits and operates in diverse physical environments in Australia. As a result, there is some potential for material exposure to environmental and social risks.

The Company is very aware of the potential for risk in this area and is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities.

The Company is committed to environmental sustainability, recognising its obligations to practice good environmental "stewardship" of the tenements on which it operates.

The Company's activities are conducted in a manner that minimises our environmental impact as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

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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 and with the entity's values and risk appetite.

Recommendation 8.1

The board of a listed entity should:

a) have a remuneration committee which:

has at least three members, a majority of whom are independent directors; and

is chaired by an independent director,

and disclose:

the charter of the committee;

the members of the committee; and

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.

Due to the current size and scope of the Company's operations the Company does not have a separate Remuneration Committee as the Board considers efficiencies and other benefits would not be gained by the establishment of a separate Remuneration Committee at present. The roles and responsibilities of a Remuneration Committee are currently undertaken by the Board.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

When the Board meets as a Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.



CORPORATE GOVERNANCE STATEMENT 2021

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.

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

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.

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- b) trading in the Company's securities which is not subject to the Company's trading policy; and
- c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.