

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Hexagon Energy Materials Limited

ABN/ARBN

48 099 098 192

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://hxgenenergymaterials.com.au/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 28 September 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 September 2023

Ian Gregory – Company Secretary

¹ “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes “OR” at the end of the selection and you delete the other options, you can also, if you wish, delete the “OR” at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	☒ and we have disclosed a copy of our board charter at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a 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: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) 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. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☐ and we have disclosed a copy of our diversity policy at: https://hxenergymaterials.com.au/corporate/corporate-governance/ and we have disclosed the information referred to in paragraph (c) at: <i>[insert location]</i> and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☐ and we have disclosed the evaluation process referred to in paragraph (a) at: and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: 	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☐ and we have disclosed the evaluation process referred to in paragraph (a) at: and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: 	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at: Section 2.1 of the Corporate Governance Statement	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed our board skills matrix at: Section 2.2 of the Corporate Governance Statement	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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, affiliation 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.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: Section 2.3 of the Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: Not applicable and the length of service of each director at: Section 2.3 of the Corporate Governance Statement [	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for 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.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: Section 3.1 of the Corporate Governance Statement and the Code of Conduct	☐ set out in our Corporate Governance Statement
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 a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement
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 that policy.	☒ and we have disclosed our whistleblower policy at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☒ and we have disclosed our anti-bribery and corruption policy at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
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 processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: Section 4.1 of the Corporate Governance Statement.	☒ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
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 auditor.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://hxgenenergymaterials.com.au/corporate/corporate-governance/	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Section 6.3 of the Corporate Governance Statement	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: Section 7.1 of the Corporate Governance Statement	☒ set out in our Corporate Governance Statement
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.	☐ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Section 7.2 of the Corporate Governance Statement.	☒ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: Section 7.3 of the Corporate Governance Statement.	☒ set out in our Corporate Governance Statement
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.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: Section 7.4 of the Corporate Governance Statement and, if we do, how we manage or intend to manage those risks at: Section 7.4 of the Corporate Governance Statement	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: and the information referred to in paragraphs (4) and (5) at: <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: Section 8.1 of the Corporate Governance Statement	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Section 8.2 of the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed our policy on this issue or a summary of it at: Section 8.3 of the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: [insert location]	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

Corporate Governance Statement

Approved by the Board on 28 September 2023

OVERVIEW

The Company's board of directors (Board) is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

Accordingly, the Company has, where appropriate, sought to adopt the "Corporate Governance Principles and Recommendations" (Fourth Edition) (ASX Recommendations) published by the ASX Corporate Governance Council.

The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity, and size of the Company's business.

The Company reports below on its compliance with the ASX Recommendations and those matters of corporate governance where the Company's practice departs from the ASX Recommendations to the extent that they are currently applicable to the Company. This statement is current as at 28 September 2023.

ASX Corporate Governance Principles and Recommendations

1. 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.

1.1 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.*

Compliance with ASX Recommendation: followed

The Company has adopted a Board Charter which discloses the respective roles and responsibilities of the Board and senior management and identifies those matters expressly reserved to the Board and those delegated to management.

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

1.2 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.*

Compliance with ASX Recommendation: followed

Philipp Kin was appointed a Non-Executive Director on 11 August 2023. The Company conducted appropriate checks.

In respect of any future Directors, the Company will conduct appropriate checks of candidates prior to their appointment or nomination for election by shareholders. The Company does not propose to conduct specific checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that this is not considered necessary in the Company's circumstances.

The Company includes in its notices of meeting, succinct biographical information on each Director who stands for election or re-election. The biography sets out the relevant qualifications and experience of the nominated Director for consideration by shareholders.

1.3 Recommendation 1.3

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

Compliance with ASX Recommendation: followed

The Company engages or employs its directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.

The Company's Managing Director or equivalent is employed pursuant to a written employment agreement with the Company and each non-executive Director is engaged under a letter of appointment.

1.4 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.

Compliance with ASX Recommendation: followed

The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures and coordinates circulation of meeting agendas and papers.

1.5 Recommendation 1.5

A listed entity should:

- (a) *have and disclose a diversity policy,*
- (b) *through its board or a 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:*
 - (1) *the measurable objectives set for that period to achieve gender diversity,*

- (2) *the entity's progress towards achieving those objectives, and*
- (3) *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.*

Compliance with ASX Recommendation: Recommendation 1.5(a) and 1.5(c) followed; recommendation 1.5(b) not followed

The Board has adopted a diversity policy. However, considering the size and scale of the Company, the Board has not set a measurable objective for achieving gender diversity. As at 28 September 2023, women made up 12.5% of the total Company's workforce and consultants.

Currently there are no females on the Board or in key executive positions.

The Diversity Policy is available on the Company's website.

1.6 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.*

Compliance with ASX Recommendation: not followed

The Company does not have in place a formal process for evaluation of the Board, its committees, and individual Directors. The small size of the Board and the nature of the Company's activities make the establishment of a formal performance evaluation strategy inefficient. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events, the Board will review performance of senior management, Directors, and the Board. No performance evaluations of Board members were undertaken during the period.

1.7 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.*

Compliance with ASX Recommendation: not followed

The Company does not have a formal process for evaluation of its key executives, in place. The Company's comparatively small size and the nature of its activities make the

establishment of a formal performance evaluation strategy inefficient. As with evaluation of Directors, performance evaluation for key executives is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of the executives and management. No performance evaluations of executives were undertaken during the period.

2. 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 the industry in which it operates, to enable it to discharge its duties effectively and to add value.

2.1 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.*

Compliance with ASX Recommendation: 2.1(a) not followed, 2.1(b) followed

The Company does not have a nomination committee. The full Board, which currently comprises four Non-Executive Directors (three Non-Executive Directors until the appointment of Philipp Kin on 11 August 2023) considers the matters and issues that would otherwise be addressed by a nomination committee.

Candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. Generally, candidates for the office of Director are individually assessed by the Chairman before appointment or nomination to ensure that they possess the relevant skills, experience, personal attributes, and capability to devote the necessary time and commitment to the role.

The Board considers that, given the current size and scale of the Company's operations, establishing a separate nomination committee would be inefficient, but the Board intends to reconsider the requirement for, and benefits of, a separate nomination committee when Company's operations grow to a point where a nomination committee is appropriate.

2.2 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.

Compliance with ASX Recommendation: followed

The Board has adopted a skills matrix as follows:

	Capital Markets	Resource Industry	Offshore Projects	Mining/ Geology	Finance/ Accounting	Native Title	Listed Company
Charles Whitfield	✓	✓	✓		✓		✓
Garry Plowright		✓		✓		✓	✓
Andrew Kirk		✓	✓	✓		✓	
Philipp Kin	✓	✓	✓		✓		✓

2.3 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 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.*

Compliance with ASX Recommendation: followed

The Board has a majority of directors who satisfy the criteria for independence as outlined in the ASX Recommendations.

The Board currently comprises the following members:

- (a) Mr Charles Whitfield – Non-Executive Chairman

Mr Whitfield was appointed a non-executive director on 22 August 2016 (seven years, one month) and has been non-Executive Chairman since 4 May 2017. Mr Whitfield is not a significant shareholder in the company and has served in this role for such a period that the Board considers him to be independent. Mr Whitfield does have a consulting agreement with the Company, however, the board still considers him to be independent due to the nature of the consulting agreement and considers that it does not compromise his independence.

(b) Mr Garry Plowright – Non-Executive Director

Mr Plowright was appointed on 10 June 2015 (eight years, three months). Mr Plowright is not a significant shareholder in the company and has served in this role for such a period that the Board considers him to be independent. Mr Plowright did have a consulting arrangement with the Company until September 2018, however, the board still considers him to be independent due to the nature of the previous consulting agreement and considers that it did not compromise his independence.

(c) Mr Andrew Kirk – Non-Executive Director

Mr Kirk was appointed on 17 May 2022 (one year, four months). Mr Kirk is not a significant shareholder in the company and has served in this role for such a period that the Board considers him to be independent. Mr Kirk does have a consulting arrangement with the Company, however, the Board still considers him to be independent due to the nature of the consulting agreement and considers that it does not compromise his independence.

(d) Mr Philipp Kin – Non-Executive Director

Mr Kin was appointed on 11 August 2023 (one month). Mr Kin is not a significant shareholder in the company and has served in this role for such a period that the Board considers him to be independent. Mr Kirk does have a consulting arrangement with the Company, however, the Board still considers him to be independent due to the nature of the consulting agreement and considers that it does not compromise his independence.

2.4 Recommendation 2.4

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

Compliance with ASX Recommendation: followed

The Board comprises a majority of “independent directors” at present.

There are currently four Directors who satisfy the criteria for independence for the purposes of ASX Recommendation 2.3, namely Mr Charles Whitfield, Mr Garry Plowright, Mr Andrew Kirk and Mr Philipp Kin.

2.5 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.

Compliance with ASX Recommendation: followed

The roles of Chairman and Managing Director or equivalent are exercised by different persons.

The Chairman of the Company, Mr Charles Whitfield, is an independent director in accordance with the criteria for independence as outlined in the ASX Recommendations. The Chief Executive Officer of the Company is Mr Stephen Hall who was appointed to the position on 1 September 2023.

2.6 Recommendation 2.6

A listed entity should have a program for inducting new directors and for 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.

Compliance with ASX Recommendation: not followed

The Company does not currently have a formal induction program for new Directors or a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and complexity of the Company's operations.

All Directors are generally experienced in resource company operations, albeit in different aspects (eg operations, finance, corporate governance etc).

When the Company's operations grow and evolve, the Board will consider adopting such a program, if then appropriate.

3. 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.

3.1 Recommendation 3.1

A listed entity should articulate and disclose its values.

Compliance with ASX Recommendation: followed

The Company is committed to conducting all its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Group's commitment to compliance with these standards.

The Company's values are disclosed in the Code of Conduct policy which is available on the Company's website.

3.2 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 a committee of the board is informed of any material breaches of that code.*

Compliance with ASX Recommendation: followed

The Board believes that there should be a strong ethical culture within the Company. Accordingly, the Board has adopted a Code of Conduct which sets out minimum standards with which the directors, officers, managers, employees, and consultants of the Consolidated Group are expected to comply in relation to the affairs of the Company's business and when dealing with each other, shareholders, and the broader community.

The Code sets out the Company's policies on various matters, including the following:

- (a) acting with integrity and honesty
- (b) compliance with all applicable laws, rules, and regulations
- (c) conflicts of interest
- (d) dealings with the Company's assets and property
- (e) use and confidentiality of information.

In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees, and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairman, whose approval will not be unreasonably withheld.

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

Any material breaches of the Code of Conduct are reported to the Board.

3.3 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 that policy.*

Compliance with ASX Recommendation: followed

The Company's Whistleblower Policy is available on the Company's website.

Any material incidents of the Whistleblower Policy are to be reported to the Board.

3.4 Recommendation 3.4

A listed entity should:

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

Compliance with ASX Recommendation: followed

The Company's Anti-bribery and Corruption Policy is available on the Company's website.

Any material breaches of the Anti-bribery and Corruption Policy are to be reported to the Board.

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

4.1 Recommendation 4.1

The board of a listed entity should:

- (a) *have an audit committee which:*
 - (i) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors, and*
 - (ii) *is chaired by an independent director, who is not the chair of the board, and disclose:*
 - (iii) *the charter of the committee,*
 - (iv) *the relevant qualifications and experience of the members of the committee, and*
 - (v) *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.*

Compliance with ASX Recommendation: 4.1(a) not followed, 4.1(b) followed

The Company does not have an audit committee.

The role of the audit committee is undertaken by the full Board, which presently comprises four Non-Executive Directors (three Non-Executive Directors until the appointment of Philipp Kin on 11 August 2023).

The Board has charged the Financial Accountant with preparing the annual and half yearly reports. These reports are subsequently audited by the Company's auditors. The Financial Accountant also compiles the information and prepares the Company's quarterly financial and operational reports.

All Company reports are reviewed by the Board before they are finalised, and the Directors are given the opportunity to question and consider the information in the reports. The Board as a whole meets with the auditor to identify and discuss the areas of audit focus, appropriateness of the accounting judgement or choices exercised by management in preparation of the financial statements.

The Board considers that, given the current size and complexity of the Company's operations, establishing a separate audit committee would be inefficient. As the Company becomes more complex, the Board will reconsider the appropriateness of forming a separate audit committee.

4.2 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.

Compliance with ASX Recommendation: followed

The Company's Managing Director/Chief Executive Officer and CFO or equivalents have provided the Board with the appropriate declarations substantially in the form referred to in ASX Recommendation 4.2, before its financial statements are approved.

4.3 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 auditor.

Compliance with ASX Recommendation: followed

The Company's process for verifying unaudited Periodic Corporate Reports is as follows:

- (a) each Periodic Corporate Report is prepared by, or under the supervision of, subject-matter experts;
- (b) material statements in each Periodic Corporate Report are reviewed by the relevant functional and divisional heads to ensure that they are accurate, not misleading, and meet the Company's corporate policy and regulatory requirements, and that the Periodic Corporate Report contains no material omissions;
- (c) information about the Company's resources is only included in a report if the information complies with the ASX Listing Rules;
- (d) information in a Periodic Corporate Report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board; and
- (e) each draft Periodic Corporate Report is reviewed by the Financial Accountant and/or the Company Secretary and the Managing Director or equivalent before its release.

5. 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.

5.1 Recommendation 5.1

A listed entity should and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

Compliance with ASX Recommendation: followed

The Company is a "disclosing entity" pursuant to section 111AR of the Corporations Act and as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to

the exceptions contained in the ASX Listing Rules, the Company is required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company is committed to complying with its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All relevant information provided to ASX is posted on the Company's website.

The Company has adopted a Continuous Disclosure Policy, the purpose of which is to:

- (a) ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and
- (b) provide shareholders and the market with timely, direct, and equal access to information issued by the Company, and
- (c) promote investor confidence in the integrity of the Company and its securities.

The Continuous Disclosure Policy is available on the Company's website.

5.2 Recommendation 5.2

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

Compliance with ASX Recommendation: followed

Any material market announcement is first prepared by the appropriate department of the Company and forwarded to the Company Secretary and Chairman for review before circulating it to the full board for comment and approval prior to lodging with the ASX.

5.3 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.

Compliance with ASX Recommendation: followed

The Company lodges all presentations prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

6. 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 those rights as security holders effectively.

6.1 Recommendation 6.1

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

Compliance with ASX Recommendation: followed

Information on the Company's corporate governance, including copies of its various corporate governance policies and charters, is available on the Company's website.

6.2 Recommendation 6.2

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

Compliance with ASX Recommendation: followed

The Board has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of shareholders' rights by communicating effectively with shareholders, giving shareholders access to information about the Company and its corporate strategies and making it easy for shareholders to participate in general meetings of the Company.

The Company communicates with shareholders:

- (a) through releases to the market via the ASX
- (b) through the Company's website
- (c) through information provided directly to shareholders, and
- (d) at general meetings of the Company.

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

The Chairman has the primary responsibility for communication with shareholders.

6.3 Recommendation 6.3

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

Compliance with ASX Recommendation: followed

In accordance with the Company's Shareholder Communications Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation.

In preparing for general meetings of the Company, the Company will draft the notice of meeting and related explanatory information so that they provide all the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company will use general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.

6.4 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.

Compliance with ASX Recommendation: followed

All substantive resolutions at shareholders' meetings are decided by a poll. The number of votes for or against a resolution is both reported in the Company's minutes and announced to ASX in accordance with the provisions of the ASX Listing Rules.

6.5 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.

Compliance with ASX Recommendation: followed

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.

In accordance with the Shareholder Communication Policy, the Company gives shareholders the option to receive communications from the Company electronically and the Company encourages them to do so.

All shareholders that opt to receive communications electronically will be provided with notifications by the Company when an announcement or other communication (including annual reports, notices of meeting etc) is uploaded to the ASX announcements platform.

7. Principle 7: Recognise and manage risk – A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1 Recommendation 7.1

The board of a listed entity should:

- (a) *have a committee or committees to oversee risk each of which:*
 - (i) *has at least three members, a majority of whom are independent directors, and*
 - (ii) *is chaired by an independent director,*

and disclose:

 - (iii) *the charter of the committee,*
 - (iv) *the members of the committee, and*
 - (v) *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.*

Compliance with ASX Recommendation: 7.1(a) not followed, 7.1(b) followed

The Company does not have a separate risk management committee.

The role of the risk management committee is undertaken by the full Board, which comprises four Non-Executive Directors (three Non-Executive Directors until the appointment of Philipp Kin on 11 August 2023).

The Board considers that, given the current size and complexity of the Company's operations, establishing a separate risk management committee will not be efficient at

present. As the Company's operations become more complex, the Board will reconsider the appropriateness of forming a separate risk management committee.

However, the Company employs a non-formal system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Managing Director or equivalent. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed.

7.2 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.*

Compliance with ASX Recommendation: not followed

As the Board has responsibility for the monitoring of risk management, the Board believes that the Company's affairs are not of sufficiently complex to justify the implementation of a more formal system for identifying, assessing, monitoring, and managing risk in the Company. The Board receives regular Corporate Risk assessments from management.

7.3 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.*

Compliance with ASX Recommendation: 7.3(a) not followed, 7.3(b) followed

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

The Company's internal controls include the following:

- (a) use of appropriately qualified consultants and advisors,
- (b) identification of key risks, assessing them and determining appropriate risk treatment,
- (c) managing activities within budgets and operational and strategic plans,
- (d) monthly financial reporting against budget,
- (e) visiting the Company's exploration project areas to review practices,

- (f) appraisal procedures and due diligence requirements for potential acquisitions or divestments, and
- (g) reliance on auditor reviews and senior management declarations.

The Managing Director or equivalent is charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis.

The Board considers that an internal audit function is not currently necessary given the current size and complexity of the Company's operations. As the Company's operations become more complex, the Board will reconsider the appropriateness of adopting an internal audit function.

7.4 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.

Compliance with ASX Recommendation: followed

The Company is subject to various economic, environmental, and social risks, which may materially impact the Company's ability to operate and to generate value for shareholders.

These include:

- (a) Future capital needs and additional funding

There is a risk that the Company's efforts to raise funds will not be sufficient to complete proposed exploration and development and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company, will vary according to several factors, including prospectivity of its projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

- (b) Exploration and development costs

Exploration and development are high risk undertakings. The Company does not give any assurance that continued exploration of its current projects, or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

- (c) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. The Company believes that estimates are appropriate when made, but they may change significantly when new information becomes available. There are risks associated with such estimates, as resource estimates are necessarily imprecise and depend to some extent on interpretation, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates may affect the Company's future planning and ultimately, its financial performance and value of its Shares.

(d) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation will involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) Mining, development, and infrastructure risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, performance of sales and offtake contracts and proficient financial management. Mining and development operations can be hampered by force majeure circumstances, invention of disruptive technologies resulting in substitutes for the mineral resources, environmental considerations, and cost overruns because of unforeseen events.

The Company's operations will depend on an uninterrupted flow of materials, supplies, equipment, services, and finished projects. Due to the geographic location of the Company's projects, it will depend on third parties for the provision of road, port, marine, shipping, and other transportation services. Contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of trucks and vessels, weather conditions, labour disruptions or other factors may have an adverse impact on the Company's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect the Company's business, results of operations, financial performance, and the value of its Shares.

(f) Environmental risks

The operations and activities of the Company are subject to environmental laws and regulations, which can be amended by the relevant authorities from time to time. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. As a result, there is risk that the Company may incur liability under environmental laws that is greater than costs it anticipated.

(g) Title risk

Mining tenements are governed by legislation and each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met.

(h) Native Title, Aboriginal Heritage, and Heritage

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company

must observe the provisions of Native Title legislation. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance, and these may delay or impact adversely on the Company's operations in Australia.

(i) Joint venture

The Company is a party to joint venture agreements governing the continued exploration and development of its projects. There is a risk that the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

(j) Commodity prices

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic or political factors on both a regional and global basis. These factors may have a negative effect on the Company's exploration, project development and production plans and activities, together with its ability to fund those plans and activities.

(k) Occupational health & safety

The exploration and mining industry has become subject to increasing occupational health and safety responsibility and liability. The Company may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

(l) Key personnel

The ability of the Company to achieve its objectives depends on the retention of key personnel who provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals will be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

The Company has completed a Corporate Risk Register and other procedures to identify, mitigate and manage these risks. These policies are updated from time to time as the Board considers appropriate in the circumstances for the management of the Company's risk profile.

- 8. 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.**

8.1 Recommendation 8.1

The board of a listed entity should:

- (a) *have a remuneration committee which:*
 - (i) *has at least three members, a majority of whom are independent directors, and*
 - (ii) *is chaired by an independent director,*

and disclose:

 - (iii) *the charter of the committee,*
 - (iv) *the members of the committee, and*
 - (v) *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.*

Compliance with ASX Recommendation: 8.1(a) not followed, 8.1(b) followed

The Company has not established a separate remuneration committee and does not have a formal remuneration policy in place.

The role of the remuneration committee is undertaken by the full Board, which presently comprises four Non-Executive Directors (three Non-Executive Directors until the appointment of Philipp Kin on 11 August 2023). The Board considers that, given its current size, establishing a separate remuneration committee will be inefficient at present.

The Company sets out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained within the Company’s annual report to shareholders.

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover on the same basis.

The maximum aggregate remuneration payable (currently set at \$300,000 per annum) to Non-Executive Directors may be varied by shareholder approval at a General Meeting.

As the Company's operations become more complex, the Board will reconsider the appropriateness of forming a separate remuneration committee.

8.2 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.

Compliance with ASX Recommendation: followed

The Company's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives are set out in the Remuneration Report contained in the Company's Annual Report for each financial year.

8.3 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.*

Compliance with ASX Recommendation: followed

The Company has an equity-based remuneration scheme which was approved by shareholders in a prior year.

Participants shall not be permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

The Company's Securities Trading Policy and its equity-based remuneration scheme prohibits employees from entering into transactions in financial derivatives (including options) which limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes.

Whilst the Company's Securities Trading Policy sets out the circumstances in which the Company's directors, officers and employees are prohibited from dealing in the Company's securities, there is no specific policy guidance on whether participants in any equity-based remuneration scheme the Company may in future implement, are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. Such a policy will be considered in future, if appropriate.

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