

## CORPORATE GOVERNANCE STATEMENT

Date of last review and Board approval: 30 September 2021.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is admitted to the official list of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at <https://nelsonresources.com.au/corporate-governance/>.

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a 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.	YES	(a) 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 (as set out in the Corporate Governance Plan, a copy of which is available on the Company's website).  (b) The responsibilities of the Board include but are not limited to: (i) setting and reviewing strategic direction and planning; (ii) reviewing financial and operational performance; (iii) identifying principal risks and reviewing risk management strategies; and (iv) considering and reviewing significant capital investments and material transactions.  The Board has delegated responsibility for the business operations of the Company to the Executive Director and the management team. The management team, led by the Executive Director is accountable to the Board.  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.

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<p><b>Recommendation 1.2</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(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.</p>	YES	<p>(a) 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.</p> <p>(b) The checks that are undertaken, and the information provided to shareholders, are set out in the Company's Director Appointment &amp; Induction Procedure (as set out in the Corporate Governance Plan, a copy of which is available on the Company's website).</p>
<p><b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company has a written agreement with each of the Directors setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its subsidiaries, has entered into with its Executive Director and any other person or entity who is a related party of the Executive Director or Directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule). The Company also has written agreements with each of its Non-Executive Directors.</p>
<p><b>Recommendation 1.4</b> 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.</p>	YES	<p>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 Board Charter outlines the roles, responsibility and accountability of the Company Secretary.</p>
<p><b>Recommendation 1.5</b> A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress in achieving them; and</p> <p>(iii) either:</p>	PARTIALLY	<p>The Company has a Diversity Policy (as set out in the Corporate Governance Plan, a copy of which is available on the Company's website), the purpose of which is 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;</p> <p>(a) The Diversity Policy provides a process for the Board to determine measurable objectives and procedures that the Company will implement and report against to achieve its diversity goals;</p> <p>(b) The Board:</p> <p>(i) intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report</p>

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<p>(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</p> <p>(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 the Workplace Gender Equality Act.</p>		<p>on the effectiveness and relevance of these measurable objectives;</p> <p>(ii) however, due to the current size of the Board and management, these measurable objectives have not yet been set but will continue to be reviewed.</p>
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process or in respect of that period.</p>	YES	<p>(a) The Board is responsible for evaluating the performance of the Company’s senior executives in accordance with the process disclosed in the Company’s Performance Evaluation Policy (as set out in the Corporate Governance Plan), which is available on the Company’s website. The Chair is responsible for evaluating the performance of the Company’s Executive Director in accordance with the process disclosed in the Company’s Performance Evaluation Policy (as set out in the Corporate Governance Plan), which is available on the Company’s website.</p> <p>(b) During the financial year an evaluation of the performance of the Board and its members was not formally carried out. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company’s status as a listed entity are in place.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process or in respect of that period.</p>	YES	<p>(a) The Board is responsible for evaluating the performance of the Company’s senior executives in accordance with the process disclosed in the Company’s Performance Evaluation Policy (as set out in the Corporate Governance Plan), which is available on the Company’s website.</p> <p>(b) During the financial year an evaluation of the performance of the senior executives was not formally carried out. However, a general review of the Board and executives occurs on an on-going basis to ensure that</p>

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		structures suitable to the Company's status as a listed entity are in place.									
<b>Principle 2: Structure the board to be effective and add value</b>											
<p><b>Recommendation 2.1</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(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</li> </ul> <p>(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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	NO	<p>(b) Due to the size of the Board, the Company does not have a separate nomination committee. 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 (as set out in the Corporate Governance Plan), which is available on the Company's website. When the Board meets as a Remuneration and Nomination committee (which was twice during the past financial year) 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.</p>									
<p><b>Recommendation 2.2</b> A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	NO	<p>The Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.</p> <table border="1" data-bbox="1153 1204 2098 1377"> <thead> <tr> <th colspan="3" data-bbox="1153 1204 2098 1244">1 – INDUSTRY/RESOURCES</th> </tr> <tr> <th data-bbox="1153 1244 1198 1316"></th> <th data-bbox="1198 1244 1809 1316">Relevant Skill</th> <th data-bbox="1809 1244 2098 1316">Rating for current board</th> </tr> </thead> <tbody> <tr> <td data-bbox="1153 1316 1198 1377">1 a</td> <td data-bbox="1198 1316 1809 1377">Prior relevant board positions</td> <td data-bbox="1809 1316 2098 1377">4</td> </tr> </tbody> </table>	1 – INDUSTRY/RESOURCES				Relevant Skill	Rating for current board	1 a	Prior relevant board positions	4
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	Relevant Skill	Rating for current board									
1 a	Prior relevant board positions	4									

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION		
		1	Industry specific experience	3
		b		
		1	Industry specific skills & qualifications	4
		c		
		<b>2 – COMPLIANCE &amp; RISK MANAGEMENT</b>		
			<b>Relevant Skill</b>	<b>Rating for current board</b>
		2	Operational risk & compliance	4
		a		
		2	Legal risk & compliance	4
		b		
		2	Financial & audit	4
		c		
		2	Technology	4
		d		
		<b>3 – CAPITAL MARKETS</b>		
			<b>Relevant Skill</b>	<b>Rating for current board</b>
		3	Fund management experience	2
		a		
		3	M&A experience	3
		b		
		3	Debt & equity raising experience	4
		c		
		<b>4 – STRATEGY &amp; POLICY</b>		
			<b>Relevant Skill</b>	<b>Rating for current board</b>
		4	Strategy	4
		a		
		4	Policy development	3
		b		
		4	Crisis management	4
		c		

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION	
		4 d	Environmental, social & corporate governance 4
		<b>5 – MANAGEMENT &amp; LEADERSHIP</b>	
			<b>Relevant Skill</b> <b>Rating for current board</b>
		5 a	Executive Management 4
		5 b	Leadership 4
		5 c	Negotiation 4
		<b>6 – BOARD CONDUCT</b>	
			<b>Relevant Skill</b> <b>Rating for current board</b>
		6 a	Ethics & Integrity 4
		6 b	<b>Contribution</b> 4
<p><b>Recommendation 2.3</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p>	YES	<p>(a) The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations. Currently the Board is structured as follows: Warren Hallam (Non-executive Chairman); Adam Schofield (Executive Director); and Stephen Brockhurst (Non-executive Director). Warren Hallam is an independent, non-executive Chairman of the Board (the securities held by him and his related parties are not performance based securities). Adam Schofield is an executive director of the Company and holds performance securities, therefore is a non-independent director. Stephen Brockhurst is an independent, non-executive director (the securities held by him and his related parties are not performance based securities). Whilst Stephen is a service provider to the Company (via Mining Corporate Pty Ltd), the Board still considers him to be independent because his position with Mining Corporate does not materially interfere with his ability to exercise independence</p>	

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		<p>in any decision making and judgement.</p> <p>(b) As described in (a), there has been no compromise to the considered independence of the independent Directors.</p> <p>(c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p>
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	YES	Two out of the three Directors are independent.
<p><b>Recommendation 2.5</b> 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.</p>	YES	Warren Hallam is an independent Chairman of the Board.
<p><b>Recommendation 2.6</b> 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.</p>	YES	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. The Company has a Director Appointment & Induction Procedure (as set out in the Corporate Governance Plan). Where possible this includes meetings with key executives, tours of the projects, 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.
<p><b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b></p>		
<p><b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.</p>	YES	The Company's Statement of Values (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
<p><b>Recommendation 3.2</b> A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	YES	<p>(a) The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (as set out in the Corporate Governance Plan) which is available on the Company's website that 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. The</p>

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		<p>Code of Conduct applies to all Directors, employees, contractors and officers of the Company.</p> <p>(b) Directors, employees and associated persons are encouraged to raise any matters of concern in good faith and report material breaches of the Code of Conduct to the Board, without fear of retribution.</p>
<p><b>Recommendation 3.3</b> A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	YES	<p>(a) The Company's Whistleblower Policy (which forms part of the Company's Corporate Governance Plan) applies to the Company's Directors, senior executives and employees and is available on the Company's website.</p> <p>(b) The Company relies on its employees and disclosers to help maintain and grow its culture of honest and ethical behaviour. It is therefore expected that any Discloser who becomes aware of such conduct will make a report.</p>
<p><b>Recommendation 3.4</b> A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	YES	<p>(a) The Company's Anti-Bribery and Corruption Policy (which forms part of the Company's Corporate Governance Plan) applies to the Company's Directors, senior executives and employees and is available on the Company's website.</p> <p>(b) Directors, employees and associated persons are encouraged to raise any matters of concern in good faith and report material breaches of the Anti-Bribery and Corruption Policy to the Board, without fear of retribution.</p>
<p><b>Principle 4: Safeguard the integrity of corporate reports</b></p>		
<p><b>Recommendation 4.1</b> The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p>	NO	<p>(b) Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an Audit Committee are undertaken by the Board. The full Board in its capacity as the Audit and Risk Management 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 and Risk Management Committee Charter. When the Board meets as the Audit and Risk Management Committee (which was twice during the past</p>



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<p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>financial year) it carries out those functions which are delegated to it in the Company's Audit and Risk Management Committee Charter (which forms part of the Company's Corporate Governance Plan) which can be found on the Company's website. 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. The performance of the external auditor is reviewed on an annual basis by the Board. The Board has adopted an Audit and Risk Management Committee Charter which describes the role, composition, functions and responsibilities of the Audit and Risk Management Committee.</p>
<p><b>Recommendation 4.2</b></p> <p>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.</p>	<p>YES</p>	<p>Before the Board approves the Company financial statements and quarterly cashflow reports (Appendix 5B) for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer (or equivalents) 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.</p>
<p><b>Recommendation 4.3</b></p> <p>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.</p>	<p>YES</p>	<p>The Board carries out the following processes to independently verify and safeguard the integrity of its periodic corporate reporting including:</p> <ul style="list-style-type: none"> <li>Releasing Half Year Financial Reports which are reviewed by external auditor, Criterion Audit Pty Ltd and Full Year Financial Reports which are audited by external auditor Criterion Audit Pty Ltd. The Company is</li> </ul>

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		<p>committed to providing clear, concise and effective disclosure in its corporate reports. The Company's goal is that periodic corporate reports will be accurate, balanced and provide investors with appropriate information to make informed investment decisions.</p> <ul style="list-style-type: none"> <li>• Preparing reports by or under the supervision of subject matter experts</li> <li>• Reviewing material statements in reports for accuracy and material requirements and ensuring they are appropriately interrogated.</li> <li>• With the exception of administrative announcements all announcements must be approved by the Board. This process is intended to ensure that all applicable laws, regulations and company policies have been complied with and that the source of the information is able to be verified and that appropriate approvals have been obtained before a report is released to the market.</li> </ul>
<b>Principle 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.</p>	YES	<p>The Company is committed to:</p> <ul style="list-style-type: none"> <li>• ensuring that shareholders and the market are provided with full and timely information about its activities;</li> <li>• complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and</li> <li>• providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.</li> </ul> <p>The Company has adopted a Continuous Disclosure Policy (which forms part of the Company's Corporate Governance Plan) which can be found 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 policy will develop over time as best practice and regulations change. The Company Secretary is responsible for communicating any amendments.</p>
<p><b>Recommendation 5.2</b></p>	YES	<p>The Board is on the announcement distribution list.</p>

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A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.		
<b>Recommendation 5.3</b> 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.	YES	Presentations are released on the ASX Market Announcements Platform ahead of the presentation being given.
<b>Principle 6: Respect the rights of security holders</b>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	YES	The Company provides information about itself and its governance to investors via its website at <a href="http://nelsonresources.com.au">http://nelsonresources.com.au</a> . 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.
<b>Recommendation 6.2</b> A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	YES	The Company has a Shareholder Communication Policy (which forms part of the Company's Corporate Governance Plan) which can be found on the Company's website, aims to ensure that Shareholders are informed of all major developments of the Company. The Shareholder Communication Policy outlines a range of ways in which information is communicated to Shareholders. 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.
<b>Recommendation 6.3</b> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage. The external auditor is required to attend every AGM

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		for the purpose of answering questions from security holders relevant to the audit.
<p><b>Recommendation 6.4</b> 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.</p>	YES	All substantive resolutions, including any resolutions that relate to ASX listing rules, at a meeting of security holders are decided by a poll.
<p><b>Recommendation 6.5</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	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.
<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(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</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	NO	<p>(b) Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management policy. When the Board meets as a Risk Committee (which was twice during the past financial year) it carries out those functions which are delegated to it in the Company's Audit and Risk Management Committee Charter (which forms part of the Company's Corporate Governance Plan) which can be found on the Company's website. 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 and Risk Management Committee Charter which describes the role, composition, functions and responsibilities of the Audit and Risk Management Committee. Responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Executive Director having ultimate responsibility to the Board for the Risk Management Policy (which forms part of the Company's Corporate Governance Plan) which can be found on the Company's website. The risk management system covers:</p>

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		<ul style="list-style-type: none"> <li>• operational risk;</li> <li>• financial reporting;</li> <li>• compliance / regulations; and</li> <li>• system / IT process risk.</li> </ul> <p>A risk management model is to be 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.</p>
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(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</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(a) The Board reviews the Company's Risk Management Policy annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. Arrangements put in place by the Board to monitor risk management include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• monthly reporting to the Board in respect of operations and the financial position of the Company; and</li> <li>• bi-annual rolling forecasts prepared.</li> </ul> <p>(b) A review was conducted during the 2021 year.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	YES	<p>(b) The Company does not currently have an internal audit function. The Board performs the role of Audit and Risk Management Committee in accordance with the Audit and Risk Management Committee Charter. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks. The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.</p>

RECOMMENDATIONS (4 <sup>TH</sup> EDITION)	COMPLY	EXPLANATION
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	NO	<p>(b) Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter (which forms part of the Company's Corporate Governance Plan) which can be found on the Company's website. The Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee. When the Board meets as a remuneration committee (which was twice during the past financial year) is 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.</p>
<p><b>Recommendation 8.2</b> 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.</p>	YES	<p>Details of the Company's policies on remuneration are set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure includes a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or claw-back of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements, if these events are applicable.</p>
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or</p>	YES	<p>The Company's equity-based remuneration scheme terms and conditions are disclosed in the Company's Notice of Annual General Meeting and are subject to approval by shareholders. The Company's Security Trading Policy (which forms part of the Company's Corporate Governance Plan), which can be found on the Company's website, includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering</p>

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<p>otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan. The Company's Security Trading Policy sets out the following information:</p> <ul style="list-style-type: none"> <li>• Closed periods in which Directors, employees and contractors of the Company must not deal in the Company's securities;</li> <li>• The trading in the Company's securities which are not subject to the Company's trading policy; and</li> <li>• The procedures for obtaining written clearance for trading in exceptional circumstances.</li> </ul>

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